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NEWS SUMMARY

GENERAL

Barbados frees Ronald Biggs

Barbados High Court quashed an extradition order against train robber Ronald Biggs and freed him.

He expects to return to Brazil, where he has lived since escaping from Wandsworth Prison, London, in 1965.

The court decided that the rules governing extradition had not been properly put before Barbados Parliament.

Sands request

Hunger striker Bobby Sands agreed to meet members of the European Human Rights Commission. U.S. visit request refused, Page 7

Inquiry rejected

The Government offered civil service unions an inquiry in an effort to defuse the dispute. Union leaders said they saw no need for an inquiry, and that action would continue. Back Page

Piggott injured

Lester Piggott and a racegoer were injured when Piggott's mount broke out of starting stalls at Epsom.

Conductor move

Conductor Maxim Shostakovich, who defected in West Germany, renounced Soviet citizenship and said he would seek American nationality.

New prison

Work on a £16m prison for up to 500 men will start next month at Griston, Norfolk. Camps may have to take overflow, Page 9

Caning backed

The 125,000-strong National Association of Schoolmasters and Union of Women Teachers' conference reaffirmed support for caning.

Equality victory

Male nurse Norman Imms won EEC backing in his eight-year battle to become a midwife.

Animal protest

The Animal Liberation Front claimed responsibility for paint spray attacks on two North London doctors' houses.

Snowy intervals

Parts of Northern England had snow, after record Easter sunshine levels.

Wedding TV

ITV coverage of the Royal wedding will last seven hours, without breaks for commercials. About 500m are expected to watch worldwide.

£5,000 job hope

A jobless Shropshire man handed back £5,000 he found in the road. He is hoping his honesty will help him to a job.

'Polish up image'

Natwest and Lloyds Bank directors were presented with dusters by an irate shareholder who wants the banks' door knobs and letter-boxes "cleaned up."

Dead loss

Some 190 coffins worth about £5,000 were stolen in two separate incidents at Bury, Greater Manchester.

Briefly . . .

Cary Grant, 77, married Barbara Harris. She is his fifth wife.

Crossbred canary bullfinch worth £1,000 was stolen from a Cornwall aviary.

Princess Michael of Kent gave birth to a girl, her second child.

BUSINESS

Three equity indices at record

● EQUITIES recovered in late trade. The FT 30-Share index closed unchanged at 584.3 after falling 6.8 at noon. The FT-Actuaries three main indices were at records: Industrial Group reached 305.66, up 0.3 per cent; 500-Share was up 0.5 per cent at 346.54; All-Share was at 327.97, a 0.3 per cent increase. Page 40

● GILTS drifted in thin trading. The FT Government Securities index lost 0.14 to 69.46. Page 40

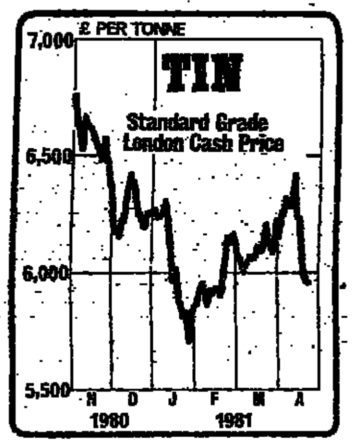
● WALL STREET was up 9.19 at 1,016.21 near the close. Page 38

● DOLLAR closed slightly firmer at DM 2.1645 (DM 2.1615) and SwFr 1.9740 (SwFr 1.9700) but eased to Y215.0 (Y216.90). Its trade-weighted index fell to 102.1 (102.5). Page 33

● STERLING fell to \$2.1815, down 75 points, DM 4.7250 (DM 4.7350) and FFr 11.1925 (FFr 11.2075). Its index was 99.6 (99.7). Page 33

● GOLD fell \$2 in London to \$491.5. Page 32

● CASH TIN dropped £35 in London to £5,960 a tonne,



following the downward trend in other metals triggered by the fall in gold. Page 39

● SHELL group has won a 15 to 20-year deal to buy 1.33bn barrels of crude oil from Saudi Arabia—its first Saudi contract supplies. Page 7

● U.S. CONSUMER PRICES rose in March by 0.6 per cent, seasonally adjusted, the smallest monthly increase since last summer. Back Page; Monetary policy, Page 5

● FINANCIAL INSTITUTIONS bought £2.1bn worth of overseas company securities in 1980, more than in the previous five years combined. Back Page

● RAINFORD VENTURE Capital, the Pilkington-sponsored company formed to back growth businesses in St. Helens, Merseyside, is investing £220,000 in Dikiat word processing, and £225,000 in Mark Roberts specialist building products.

● ALCAN ALUMINIUM (UK) gave its Rogerstone, Gwent, rolling mill 18 months to recover to break-even point after reporting first-quarter losses of £3m. Page 7

● BRITISH STEEL is to use UK coking coal at Port Talbot, instead of 450,000 tonnes a year of imports, mainly Australian.

● DALMINE, a subsidiary of the Italian state-owned IRI-Finsider steel group, signed an agreement with U.S. Steel which could be worth up to \$1bn (£458m) in steel pipe orders for the Italian company. Back Page

● VAUXHALL is making 300 workers redundant at its medium van plant in Luton.

● VICKERS, engineers, raised pre-tax profits by £21.3m to £28.6m last year. The total dividend is increased to 12p (9.814p). Page 22; Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
BAT Inds.	311	+ 13
Bentalls	49	+ 4
Biddle	132	+ 6
British Aerospace	238	+ 9
British Sugar	311	+ 9
Casket (S.)	34	+ 4
Comb. Eng. Stores	47	+ 5
De Vere Hotels	262	+ 13
Electrocomponents	770	+ 20
Foseco Minsep	223	+ 13
Guinness Peat	117	+ 7
Haden Carrier	340	+ 30
Kwik Save	230	+ 7
Menzies (J.)	395	+ 13
Monk (A.)	47	+ 6
Owen Owen	215	+ 47
Royal Bk. Scotland	182	+ 8
Scapa	135	+ 6
Smiths Inds.	389	+ 14
Thames Inv.	218	+ 16
Travis and Arnold	190	+ 12
Vickers	210	+ 21
BP	390	+ 8

FALLS		
Treas. 12¾pc '92	£97⅜	− ¼
BOC Intnl.	150	− 4
Boustead	144	− 14
Bowater	268	− 8
Brit. Aluminium	113	− 9
Ferranti	555	− 10
Low (Wm.)	164	− 9
McKechnie Bros.	122	− 5
Rowntree Macktosh.	182	− 16
Stand. Chartered	623	− 15
Tube Invs.	226	− 14
Cent. Pacific Minls.	97	− 13
Hartebeest	£30	− 1¼
Pres. Steyn	£18⅝	− 1⅛
RTZ	470	− 10

Dunlop and Pirelli end 10-year amalgamation bid

BY ANDREW FISHER IN LONDON AND JAMES BUXTON IN ROME

THE MARRIAGE between Dunlop Holdings of the UK and Pirelli of Italy is to end in divorce after the failure of the 10-year effort to form a major new force in the world tyre industry.

The surprise announcement from the companies' headquarters in London and Milan follows several tough years in the tyre industry, leading to large-scale labour lay-offs and slashing of prices.

Dunlop also disclosed yesterday a steep decline in profits in 1980, when losses on tyres in the UK totalled £22m against £11.5m the year before. Dunlop's overall pre-tax profits were down from £34m to £10m, with inflation-adjusted figures showing a loss of £30m (£16m).

The joint decision to dissolve the union of the tyre-makers, formation of which was simultaneously announced in Britain, Italy and Switzerland in 1970, is a recognition of the increasing financial imbalance of the two sides.

The Dunlop-Pirelli union was seen by some observers at the time as pointing the way toward an increasing number of trans-European mergers as the European economy became more fully integrated. In the event, some mergers of this type had to be abandoned for management and other reasons, and some have run into difficulty.

Agfa-Gevaert, the West German-Belgian photographic group, had heavy losses at the end of the 1970s, and Bayer, the German chemical concern, owner of Agfa, had to put in substantial capital and raise its financial share above 50 per cent.

Another European cross-frontier venture, the Estel-Hoesch steel operation, Dutch and German-owned, put forward a major restructuring package last month to improve labour relations and combat low steel demand.

Dunlop and Pirelli never proceeded toward a full merger, but took substantial minority stakes in each other's operations under the original partnership deal.

The cracks in the union began to show in the early 70s, as Pirelli ran into financial problems and Dunlop had to provide £41.5m to allow for the decline in the value of Pirelli.

More recently Pirelli told Dunlop that it would not continue to share in the supply of finance to help modernise the UK group's European tyre activities. Dunlop has spent over £50m on trying to make its tyre operations more competitive.

The two companies have been talking since 1978 on ways to alter the basis of their union, one of the original aims of which was to create a single business. Over the years, said Sir Campbell Fraser, Dunlop's chairman, yesterday, Pirelli had benefited more than Dunlop.

As part of the two-stage ending of the union Pirelli will pay Dunlop about £22m. Though both companies took 49 per cent stakes in each other's activities, the Dunlop share in Pirelli is down to 19 per cent. Pirelli last year was back in profit for the first time in 10 years.

End of a bumpy road, Page 7
Dunlop results, Page 22
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Hard-liner Suslov makes surprise visit to Warsaw

BY CHRISTOPHER BOBINSKI IN WARSAW AND DAVID SATTER IN MOSCOW

THE air of political calm in Warsaw was disturbed yesterday by the surprise arrival from Moscow of Mr. Mikhail Suslov, President Leonid Brezhnev's most senior lieutenant and a hard-line Communist ideologist.

He was thought to have instructions to urge the Polish authorities to put a brake on political and social reforms in the country.

Regarded as second only to President Brezhnev in Soviet rankings, Mr. Suslov is the first member of the Russian Politburo to visit Poland since the strikes of last summer.

In his most recent public speech—to the Czechoslovak Communist Party Congress in Prague—he warned of the "fatal consequences" of deviation from basic Communist teachings.

Immediately before his arrival, however, Mr. Stanislaw Kania, the Polish party leader, promised the Socialist Youth Movement Congress in Warsaw that reforms would continue and that moderate policies would be maintained.

"We have an unbreakable will," he declared, "to continue with the Socialist renewal protest, to defend the basic principles of Socialism, to develop democracy within the party and in the state and to carry out public reforms."

Mr. Kania also told his audience to co-operate with the old, party-backed trade unions and with Solidarity, the eight-million-strong independent union formed last summer.

Mr. Suslov's arrival also seemed well timed to coincide with preparations for next Wednesday's meeting of the Polish Communist Party's Central Committee.

The committee is due to approve a draft agenda for a full Party Congress provisionally scheduled for July 20. Its preparations include plans to introduce democratic election to party posts and to increase the rank-and-file members' control over the party apparatus.

These proposals, signalling major changes in the Communist norm of rigid control by a closely-knit central authority, have come mostly from a new million-strong movement of ordinary party members disenchanted with the Warsaw Government.

Members of this so-called "horizontal" movement have also demanded the sacking of conservatives in the leadership, including Mr. Stefan Olszowski, the Polish Politburo member responsible for ideological and propaganda affairs and control of the media.

Mr. Suslov's visit should help strengthen the position of Mr. Olszowski, who was a member

Continued on Back Page
Background, Page 3

GRAIN BAN LIFTS

The U.S. is expected shortly to announce the gradual lifting of the 15-month-old grain embargo on the Soviet Union imposed after Moscow's intervention in Afghanistan. The move would be in recognition of eased military tensions concerning Poland and fulfil President Reagan's campaign promises to U.S. farmers. Back Page

Rowntree in £42m rights issue

BY IAN RODGER

ROWNTREE MACKINTOSH is to raise £42m in a rights issue and is considering a major expansion in the United States where it has only a modest presence.

The large confectionery and food company has also reported a 23 per cent fall in pre-tax profits in 1980, citing severe competition and depressed conditions in many markets.

The directors said the one-for-four rights issue, the group's third since 1976, is needed, in part, to help to finance its capital spending programme to maintain efficiency.

"In addition, it is believed there will be opportunities for further expansion in confectionery markets where the group would wish to be more strongly represented."

Mr. Kenneth Dixon, chairman, said the U.S. was one such market and the group had been studying a number of possibilities, from greater direct exporting to the setting up of manufacturing plants.

"It is not something that is just around the corner," he cautioned, and added that South American markets were also being studied.

Rowntree's presence in the U.S. is confined to a licensing agreement—under which Hershey Foods makes Kit Kat, Rolo and After Eight—and modest direct exports of Quality Street to the West Coast.

Mr. Dixon said the licensing agreement with Hershey would continue whatever expansion the group might decide upon.

Rowntree's spending on fixed assets and acquisitions since its £36m rights issue in 1978 has exceeded £100m, and has been directed mainly at expanding the group's presence in highly competitive Continental European markets.

Mr. Dixon said the investments on the Continent were not yet producing profits but he expected a major profit-earning section would progressively emerge.

The rights issue is on the basis of one new share at 160p for every four held on April 16. The shares fell 16p yesterday to 182p but the underwriters, J. Henry Schroder Wagg said the issue was set at a 15 per cent discount based on a price of 193p reached in late dealings on Wednesday, or 188½ ex-dividend. Brokers to the issue are Cazenove.

Results, Page 22; Lex, Back Page

Standard Bank increases offer

By Michael Lafferty, Banking Correspondent

THE TAKEOVER struggle between the Standard Chartered Bank and Hongkong and Shanghai Banking Corporation for control of Royal Bank of Scotland intensified yesterday when Standard Chartered raised its terms, bringing its bid broadly into line with that of the Hongkong Bank.

The improved Standard Chartered offer is worth almost 60 per cent more than its first offer last month. Both have had the approval of the Royal Bank board, which has so far refused to comment on the Hongkong Bank's offer.

Hongkong and Shanghai made no immediate response to the new Standard Chartered bid, and the bank's chairman, Mr. Michael Sandberg, was returning to Hong Kong yesterday after several weeks in London.

The general feeling in London and Hong Kong financial circles is that the Hongkong Bank will not be successful in its bid, which has so far failed to gain the approval of the Bank of England. That Royal Bank management also shows little enthusiasm for this bid.

In its first bid Standard Chartered was offering one-fifth of one of its own shares and 10p in cash for each Royal Bank share, giving a value at that time of 139p per share. The new bid carries an additional 45p in loan stock and 34p in cash, and valued each Royal Bank share at 213p last night.

To finance the increased offer Standard Chartered will have to issue up to £101m in floating-rate subordinated notes.

The deal would stretch Standard Chartered's prudential ratios by reducing the ratio of free equity to deposits from 3 to 2.7 per cent. The bank's gearing would increase from 15.6 to 23.3 per cent, based on its last accounts.

Standard Chartered emphasised yesterday that the Royal Bank of Scotland branch bank would continue to be directed from its Edinburgh head office.

The Royal Bank shares closed 8p ahead yesterday at 182p, while the Standard Chartered shares closed 15p lower at 623p. Hongkong Bank shares were 1p up at 127p.

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£ in New York

	April 22	Previous
Spot	2.1805-1820	2.1785-2.180
1 month	0.50-1.57 pm	0.68-0.75 pm
3 months	2.15-2.25 pm	2.-25-2.35 pm
12 months	6.70-6.90 pm	6.80-7.00 pm

Unemployed total at 2.5m for first time since 1930s

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

TOTAL UNEMPLOYMENT in the UK has risen above 2½m for the first time since the 1930s. There has been an increase of nearly 1¼m in the current recession.

The rate of growth of unemployment is now clearly slowing and the increase in the month to mid-April was the smallest since last June.

Prospects for jobs are still relatively gloomy. Unemployment is likely to continue to rise for most of the rest of 1981 as advance indicators, such as vacancies, remain at low levels.

Department of Employment figures published yesterday show the adult total rose by 65,300 to 2.45m, seasonally adjusted, in the month to mid-April. This is equivalent to 10.1 per cent of the workforce.

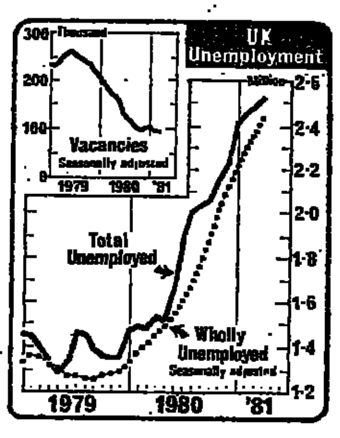
After adjusting for the seasonal fall normally expected in April, and a small drop in the number of school leavers out of work, the overall "headline" total rose by 33,200 to 2.52m.

The announcement of the figures resulted in a barrage of attacks on the Government from trade union and Labour Party leaders.

For the Government, Mr. James Prior, the Employment Secretary, described the total as a "personal tragedy" and argued that the chances of a reversal of this trend depended on a lower level of wage settlements.

Unemployment always tends to lag behind changes in output so a halt to the rise cannot soon be expected. Several companies have said they do not intend to recruit after the shake-out of the last two years.

The best that can be said is that the slowdown in the rate of growth of the adult total—a rise of 72,600 on average in the three months to April compared with 115,200 in the period to December—is consistent with recent signs that the recession



has flattened out.

The figures do not suggest that a significant recovery in activity is imminent. In particular, notified vacancies fell by 2,100 in the month to mid-April to 94,800, seasonally adjusted, the lowest level since records were first compiled 20 years ago.

The shake-out in manufacturing industry is continuing, though on a smaller scale than last autumn. Redundancies in March are estimated at 45,000, compared with a monthly average of 50,000 towards the end of 1980.

Manufacturing employment is estimated to have dropped by 60,000 in February, only slightly less than the monthly average of 77,000 in the final quarter of 1980. Short-time working has also dropped back slightly.

The unemployment total would have been much higher but for the Government's various special job assistance schemes, keeping about 345,000 people off the unemployment register.

The number of school leavers without a job fell by 6,000 to nearly 73,000 in the month to mid-April.

Map, Page 9; Reaction, Page 10

Talbot to sign Iranian deal

BY JOHN GRIFFITHS

TALBOT UK expects to sign agreements covering nearly £1bn in exports to Iran during the next two weeks.

About £750m of this is accounted for by securing for a five-year period the contract to supply 100,000 car kits a year.

Talbot has had this business for some years, but the previous contract was on a 12 months renewable basis and was severely disrupted in the wake of the Iranian revolution.

The Iranian kits business has been important for Talbot, accounting for about 15 per cent of its total turnover and nearly half the output at its Stoke engine plant.

Other new business worth nearly £200m has been secured. This involves:

● The supply of 155,000 replacement engines and engine parts for cars already supplied and in use in Iran.

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Ford seeks plant efficiency, Page 10

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For latest Share Index phone 01-246 8026

Population of Greece rises 10%

By Victor Walker in Athens

THE POPULATION of Greece is growing faster than it did a decade ago and almost a third of it lives in the Greater Athens area.

This is shown by the first results of the ten-year census taken earlier this month which recorded a population of 9,707,000, an increase of 10.7 per cent compared with the 1971 figure.

Half the total growth was accounted for by the rise in the population of Greater Athens, that is the adjoining cities of Athens and Piraeus and their suburbs, where 476,000 more people live. This is put down to a decline in emigration and an increase in Greeks returning home to live.

It is estimated that the population rose 7.3 per cent during the decade as a result of the difference between birth and death totals and a further 3.4 per cent from the excess of repatriation over emigration.

The decade 1961/71 saw Greece's greatest post-war exodus.

Stars come out for the leading French candidates

BY DAVID WHITE IN PARIS

DO Brigitte Bardot and Mireille Mathieu carry more votes than François Truffaut and Claude Chabrol? Who remembers Juliette Greco?

As if their own names were not all-too-familiar to French voters, all the main candidates for Sunday's first-round presidential ballot have kept to tradition and drawn up lists of well-known backers, recruited from all walks of life to add weight, or spice, to their campaigns.

A comparison of the lists, published in full-page newspaper advertisements, leads to some strange conclusions. The stage seems biased towards M. Jacques Chirac, the Gaullist Mayor of Paris, and the music world towards President Giscard d'Estaing.

The cinema crowd appears unable to decide between M. Giscard and M. François Mitterrand, the socialist contender, and the world of sport is dithering between M. Giscard and M. Chirac.

Perhaps more significant is the fact that many celebrities who have been ready to sign for political candidates in the past are no longer willing to stand up and be counted.

Showbiz support: Francois Truffaut (left) for Mitterrand; Brigitte Bardot (centre) and Alain Delon for Giscard

The Communists, through their strictly party-line daily l'Humanité, have by far the longest lists in support of their candidate M. Georges Marchais—but they also show the most apparent losses.

The party which, before and after the war, gathered some of the most illustrious names in French arts and letters now has few internationally-known figures left among its supporters.

The next longest list is the Socialists'. Out of a spirit of democracy, they pad it out with names of people who describe themselves as "seaman," "farmer," "retired steelworker" or "unemployed."

These are sprinkled among well-known names of film directors, lawyers, actors such as Bulle Ogier, Gerard Deparardieu and Michel Piccoli, and writers.

To back their ecology policies, they have the famous volcano expert Haroun Tazieff to stand by them when he is not busy advertising milk.

M. Chirac seems to have taken half the Comedie Française with him, as well as Bernard Buffet, the popular painter, and numerous sportsmen.

In a cheeky taunt at President Giscard, who once played the accordion as a campaign gimmick, M. Chirac tops his list with an accordionist.

But M. Giscard's own short list of 100 undoubtedly carries the greatest panache. Brigitte Bardot — the defender of animals, apparently unperturbed by the President's renown as a hunter — and singer Mireille Mathieu are both there.

Next to them are actor Alain Delon and his companion Mireille Darc, French Rugby Union captain Jean-Pierre Rives ("the blond bomber") and black international football star Marius Tresor.

Stranger inclusions are Paul Bocuse, three-star chef, who advertises ovens as well as presidents, and Jean Richard, a circus director. What was that about bread and circuses?

Feature, Page 20

Netherlands housing policies condemned

By Charles Batchelor in Amsterdam

HOUSING POLICIES applied by many Dutch towns and cities contravene human rights guaranteed under the European Community's Treaty of Rome, according to the Netherlands Council of State.

The Council, which is the senior advisory body to the Government on legal matters, and which handles appeals against government decrees, ruled that local authorities may no longer exclude people because they were not born locally or because they have no economic links with the area.

One in three local authorities in the Netherlands imposes tight controls on people wishing to move into the district. Newcomers may not come to live unless they have economic links, usually a job, or were born in the area.

The restrictions are applied to reduce pressure on housing in cities such as Amsterdam where there are long waiting lists for a home. Employers complain that, as a result, they are often prevented from moving staff around the country or from taking on new employees who would need to move to be nearer their work.

However, a Housing Ministry spokesman said that the judgment may not be as far-reaching as it appeared at first. It applies only to a by-law drawn up by one local authority against which a complaint was laid and not to the Housing Act. It also makes no specific reference to the question of the need for economic links. Direct reference is only made to the condition that a newcomer must have been "born and bred" in the area.

The Council of State's decision was given after an inhabitant of Gassel, a village south of Nijmegen, appealed against the refusal of the local authority in nearby Groesbeek to allow him to buy a plot of land on which he wanted to build a house.

● Dr. Christopher van der Klaauw, the Dutch Foreign Minister, flies to Cairo today for talks with Egyptian leaders about a European peace initiative in the Middle East, Reuter reports from The Hague.

Dr. van der Klaauw, who is currently president of the European Economic Community Council of Ministers, will discuss the prospects of the EEC peace move with Mr. Kamal Hassan Ali, the Egyptian Foreign Minister, during his four-day visit.

Giscard's campaign still struggling to take off

BY ROBERT MAUTHNER IN PARIS

PRESIDENT Valery Giscard d'Estaing can still win the French presidential election, which takes place in two rounds next Sunday and on May 10, but it will be touch and go. For things have gone seriously wrong for the debonair and ambitious former Finance Minister who, seven years ago at the age of 48, was elected to the highest office in the land, in an atmosphere of joyous hope.

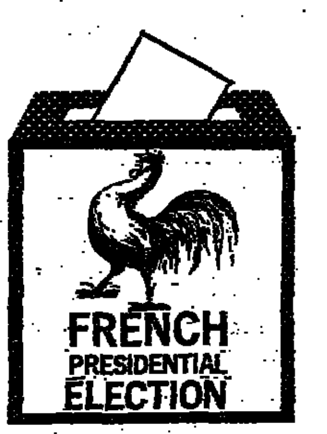
Giscard, as he was familiarly called by an expectant population, was going to blow away the cobwebs which, for too long, had stifled the Government and civil service of France, binding it with archaic traditions and bureaucratic habits. But the bold series of early reforms—the liberalisation of divorce, the legalisation of abortion, the lowering of the voting age to 18—soon petered out.

It was not all President Giscard's fault, of course. A political albatross has been hanging round his neck, in the form of an unco-operative Gaullist party, theoretically his ally but which, in practice, seriously restricted his room for manoeuvre in the National Assembly. Not least, rising oil prices severely restrained the new-found dynamism of Franch, which imports most of its energy.

After a decade of annual growth of 5 to 6 per cent, M. Giscard d'Estaing had to convince his countrymen that they would have to make do with less than half this increase in output. It was a task which would have taxed any leader, requiring more than average powers of persuasion and imagination.

M. Giscard d'Estaing thought he could do it by intellectual argument. In 1976, after the resignation of his first Prime Minister, M. Jacques Chirac, he appointed as Prime Minister M. Raymond Barre, an economist who prided himself on his rigour and honesty. The country was promised blood, sweat and tears, all in the interests of protecting the franc, restoring the balance of payments and fighting inflation.

But seven years, the length of the presidential mandate, or even four yeas, the period over which M. Barre has practised



his restrictive policies, is a very long time in which to ask people to accept that all their economic troubles are the fault of the oil sheiks and other countries' recessions.

In addition to having to explain away soaring unemployment and a comparative stagnation of living standards, the President became vulnerable on other fronts. It is a measure of the rarefied atmosphere in which he moves that M. Giscard d'Estaing remained impervious for so long to criticisms of his monarchical style, his foreign policy, deemed to be too favourable to the Soviet Union, and the gifts of diamonds he received from Emperor Bokassa, former ruler of the Central African Republic.

To be fair, the opinion polls and the disarray of the left until the late autumn of 1980 gave M. Giscard d'Estaing some excuse for complacency. Only five to six months ago, every poll showed he would beat M. Francois Mitterrand, his main opponent, hands down.

That situation has been completely modified by the last polls published before the first round of voting. One or two even predict victory for M. Mitterrand. As a result, there have been some signs of panic in the Giscardian camp, with old war-horses like M. Michel Poniatowski, the former Interior Minister and the "citizen-candidate's" close friend, being wheeled in to strengthen the campaign.

President Giscard's advisers, and the candidate himself, have now accepted that his campaign has not really "taken off." To boost his support, M. Giscard d'Estaing has adopted the last-minute tactic of telling Frenchmen and women how far ahead the country is in practically every domain, ranging from the nuclear power programme, to defence, computers and aircraft. The implication, of course, is that it is under M. Giscard d'Estaing's presidency that France has risen so high.

The message is irritatingly primitive for someone who has always praised his compatriots for their intelligence. The betting of most observers is that M. Giscard d'Estaing will still be struggling to make up lost ground by the time the final ballot comes round.

Diamonds pasted over President Giscard's campaign posters call voters' attention to the scandal about gifts he received from ex-Emperor Bokassa

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Moscow weighs gains and losses against dictates of ideology

BY DAVID SATTER IN MOSCOW

AN ALMOST impenetrable silence has settled over Moscow as the Soviet leaders engage in careful deliberations to decide whether or not to invade Poland and risk a move which could "change the world."

Soviet citizens, aware that the decision will shape their future to repeat rumours and search for clues, but are as uncertain of the outcome as observers in the West.

The Polish crisis is one of the most serious to face the Soviet authorities in Eastern Europe since the Second World War, and it may establish which of two tendencies in Soviet Foreign policy will win out: the tendency towards carefully weighing gains and losses in any specific case, or the underlying drive towards ideological expansion.

The first tendency normally prevails, but the most careful calculations can be overwhelmed by ideology, as happened in Afghanistan.

The Soviet leaders frequently refer to the establishment of a Communist regime as "irreversible" and, in fact, no established Communist system has ever been overthrown.

In Poland's case, the likely strategic gains of an invasion are so negligible and the costs are likely to be so high that despite all the propaganda about "counter-revolution" there is hope that an invasion can be avoided.

In Eastern Europe, the Soviet Union has traditionally calculated its interests very carefully. In 1948, the Soviets massed 1.5m troops on the border with Yugoslavia and denounced Marshal Tito, the late Yugoslav President, as a "bloody hangman," but finally accepted a claim to independence which would have been too costly to suppress.

In Hungary in 1956 and in Czechoslovakia in 1968, invasions occurred because they were justified in terms of unsentimental calculation of potential gains and loss.

In Poland, losses so heavily outweigh gains that restraint appears almost certain to prevail if the Soviet authorities calculate as rationally now as they have done in the past.

The railways and communications lines through Poland, which link the Soviet Union with its 20 best-trained and best-equipped divisions in East Germany, are vital. If those links were threatened, there is little doubt that the Soviet Union would quickly occupy the country, ruling directly, if necessary, until a pro-Soviet government could be formed.

In the present crisis, however, the Soviet strategic position in Europe has not been undermined. The crisis has not interfered with the supply lines or with the security of the Soviet divisions stationed in Poland to guard them.

Western military experts believe that because Poland has no shared border with the West, it would be obliged to remain a member of the Warsaw Pact no matter what government was in power, and the only possible loss to the Soviet bloc so far in the crisis may have been a lowering of morale in the Polish army.

Against the likelihood of no strategic gains for the Soviet Union in an invasion of Poland, must also be weighed the prospect of armed Polish resistance, massive strikes, the need to assume Poland's debts and the loss for the Soviet Union of vital technology after a break in relations with the West.

All these factors suggest the nine-month-old Polish labour crisis will not end with a Soviet invasion, and there would even be cause for confidence were it not for the unprecedented and fundamental character of the Polish workers' revolt. For ideological reasons, and in the name of the long-term preservation of the Soviet authorities' own power, this may be the one time Moscow is not prepared to calculate.

Poland has raised the possibility that the establishment of systems based on the Soviet totalitarian model may not be irreversible after all.

The Communist Party monopolises power in Soviet bloc countries because it is supposedly the vanguard of the working class. Under these conditions, the formation of a national union in Poland to defend the working class against the party is a basic ideological challenge. It actually eliminates the party's *raison d'etre*.

In the past nine months, the Polish free trade unionists have touched on one sensitive problem after another, including oppressive work conditions, forced overtime, party corruption, censorship, and lack of recourse. All these problems exist in hidden, but far more extreme, form in the Soviet Union.

Soviet workers were terrorised by Stalin and they are carefully organised against themselves today so that some workers will always defend management in return for privileges.

The Soviet system is tightly controlled and gives the appearance of invincibility, but it does have inherent weaknesses and cannot afford to ignore any challenge, even one in a neighbouring country, let alone a challenge in which the dynamic force is the working class.

The Soviet internal system is run at the *oblast* (regional) level by party leaders who owe their positions to personal ties with members of the Soviet Politburo or secretariat. Every *oblast* party leader, once named, promotes those who have personal ties to him, and the caste which rules the Soviet Union at national level is duplicated at local level in *oblasts* all over the country.

In this system, the characteristic docility of the Soviet labour force does not stem from terror, which has not been employed in the Soviet Union for almost 30 years, but rather from instinctive fear and the conviction that resistance to management is hopeless.

The state procurator, responsible for enforcing the laws, is subordinated to the local party leader and normally connected to him by a web of obligations based on the exchange of services and goods.

The existence of a pluralistic Poland would not weaken the Soviet bloc militarily or lessen the danger of Soviet expansion in such regions as the Gulf, but it would be a historic re-establishment of democracy in the heart of the Soviet bloc which would lessen the Soviet Union's political momentum and cloud its ideological appeal.

Soviet restraint over Poland would be a modest victory for those who have argued that the Soviet drive to make the world conform to Soviet ideology can be contained if the Soviet Union has enough to lose. But it would also show a measure of Soviet self-confidence.

The readiness not to invade Poland, and to base a calculated decision on a tally of gains and losses would show that the Soviet authorities do not feel their empire is in danger or that the Polish crisis is a fundamental enough threat to change the context in which all their earlier calculations have been made.

The Kremlin's chief ideologue, Mr Mikhail Suslov, who has been sent to Poland with orders to press the Warsaw authorities to curb political and social reforms

Bonn under pressure to cut Turkish aid

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government is facing growing pressure to reconsider its aid programme to Turkey, on the grounds that there are insufficient signs of a return to democracy.

The latest evidence comes from Dr. Peter Corterier, head of the ruling Social Democrat Party's foreign policy group and leader of an all-party delegation which visited Ankara recently.

Dr. Corterier took particular exception to the statement of General Evren, the Turkish Head of State, in a recent interview with the Financial Times, that all members of the last Turkish Parliament would be excluded from the next one to be elected.

Dr. Corterier said that the future Turkish Parliament was to be filled apparently with "marionettes of the military"—thus placing in question membership of Turkey in the Council of Europe.

"As far as the Bundestag is concerned, it already seems very questionable whether a majority can be found under these circumstances for a continuation of German aid to Turkey," Dr. Corterier said.

This statement is the more noteworthy since Dr. Corterier and other members of his delegation had given a relatively positive report immediately after their return from Turkey early last month.

They praised the co-operation received from Turkish authorities and said that representatives of all Turkish political forces to whom they had talked agreed that a cut in foreign aid would simply make a return to democracy more difficult.

However, since then there has been growing public criticism in Bonn of the course of Ankara's military leaders, not least over the measures taken against Mr. Bulent Ecevit, the ex-Prime Minister and chairman of the Republican Peoples' Party.

The Bonn Government would be highly reluctant to cut aid, not least because of the strategic importance of Turkey to the southern flank of Nato.

On the other hand, the Germans have already chosen to be more reticent in their efforts on behalf of Turkey this year, preferring not to co-ordinate a new OECD aid package as they did last year.

It is explained officially that further German co-ordination is no longer urgently needed. But, it is also clear that the Turkish military takeover made the co-ordination role more politically sensitive.

Italy protests angrily at Franco-German credit plans

BY OUR FOREIGN STAFF

THE PLAN by West Germany and France jointly to raise some $6bn on international capital markets will be discussed by the European Community's Council of Ministers next month following angry protests from Italy. The Italians have complained that France and West Germany should have consulted their EEC partners before launching the scheme.

"It is not the aims of the issue to which we object but the anti-Community spirit in which it has been put together," one diplomat said in Brussels.

A formal protest, Reuter reports, was lodged last week by Sig. Renato Ruggiero, the Italian ambassador to the Community. Although there is little doubt that the matter will go ahead, Ireland, Greece and Luxembourg are expected to join Italy in the protest.

Raised to promote energy-saving, create jobs and encourage investment in small and medium-sized companies, the credit may also increase the stresses within the European monetary system by helping to strengthen the D-Mark and French franc against weaker European currencies.

At a summit meeting in the Netherlands last month, EEC heads of government discussed the possibility of Community action in the areas designated for aid by France and West Germany.

Stewart Fleming adds from Frankfurt: In Frankfurt yesterday the council of the Bundesbank, the West German central bank, discussed the proposed loan at its regular fortnightly meeting. It raised no formal objections to it, thus allowing preparations for the financing to continue. The meeting was attended by Count Otto Lambsdorff, the Economics Minister.

It is no secret in Bonn or Frankfurt that the Bundesbank has reservations about the proposed financing, and that these have been among the sources of recent tension between Chancellor Helmut Schmidt and Herr Karl Otto Poehl, the bank's president.

Its reservations are thought to include unease about increasing what, in effect, are Government subsidies at a time when budget policy should be aimed in the opposite direction. It is also believed to be worried about the timing of the extra investment which the loan proceeds will be used to stimulate, and the impact this foreign financing will have on the willingness of overseas investors to take up further D-Mark credits.

The additional finance, however, will clearly provide a valuable addition to the funds of the Kreditanstalt fuer Wiederaufbau, the publicly-owned banking institution which will raise the funds and distribute them. It was set up in 1948 to administer Marshall Plan funds and is finding its ability to continue providing cheap loans to small and medium-sized businesses restricted by the long period of high and rising interest rates in West Germany.

Schmidt has talks with Carrington

BONN,—Lord Carrington, the British Foreign Secretary, hand an hour's private discussion with Chanceller Helmut Schmidt, of West Germany, at the later's housin Hamburg yesterday.

A statement issued later said they agreed that EEC spending should be revised to take account of an increasingly difficult political and economic climate. Britain and West Germany, the biggest contributors, particularly want changes in agricultural spending, which accounts for about 70 per cent of the Community budget.

Herr Schmidt and Lord Carrington were reported to have welcomed strong links between the Community and the Reagan Administration in Washington which the Chancellor is to visit next month.

He is also due in Saudi Arabia next Monday where Mrs. Margaret Thatcher, the British Prime Minister, said earlier this week that Britain was ready to sell arms and tanks to Riyadh.

The issue of possible West German arms sales to the Saudis has aroused controversy at home because of a 10-year-old ban imposed by Bonn on arms sales to areas of international tension. Reuter

Iran bid to recover uranium from France

BY DAVID WHITE IN PARIS

ANOTHER legal and financial wrangle between France and Iran has come to light as a result of Iranian protests over 80 tonnes of natural uranium being held in France.

Under a court order obtained discreetly last September, the uranium, which belongs to Iran, is being blocked in an unknown location in France as security against debts claimed by a subsidiary of the French Atomic Energy Commissariat (CEA).

This followed a separate court order freezing Iran's assets in Eurodif, the French-based international uranium enrichment company, in which Iran holds an indirect stake of 10 per cent.

The Eurodif order means, in effect, that the enrichment company, claiming that Iran has failed to make contractual payments, is withholding payments on a $1bn loan which it obtained from Tehran before the change of regime.

Iran's stake in Eurodif has been the subject of a series of discussions, so far inconclusive. The freezing of its assets comes up before a Paris commercial court again in September.

The 80 tonnes of uranium were sent to France in order to be enriched at the Eurodif plant and then be sent back to Iran.

The Iranian authorities are said to be protesting on the grounds that the value of the uranium, which has still not been processed, exceeds that of the debt.

Danish oil platform safe

BY HILARY BARNES IN COPENHAGEN

THE Danish Energy Directorate has allowed normal manning of the Dan field oil production platform in Denmark's sector of the North Sea. The nineman crew was evacuated before Easter after a theoretical analysis suggested metal fatigue in some joints.

Visual inspection of the weak points revealed no signs of cracks, said Mr. Peter Helmer Steen on behalf of the Directorate. Further studies are being made, however, and the results will be known in mid-June.

OVERSEAS NEWS

Israel steps up attack on UK Mideast policy

BY DAVID LENNON IN TEL AVIV

ISRAEL IS stepping up its attacks on Britain's Middle East policy because of fears that Lord Carrington, the Foreign Secretary, will actively promote the European initiative on the Arab-Israel dispute after Britain assumes the EEC presidency on July 1.

In one of the strongest attacks so far, Mr. Yitzhak Shamir, Israeli Foreign Minister, told a university audience recently: "England appears to be trying to be France's successor in Middle East policy, and England appears to be going even further than France in adopting a policy opposing Israel."

Israel strongly opposes the EEC Middle East peace initiative which it regards as "pandering" to the Arabs by calling on Israel to take unacceptable steps such as negotiating with the Palestine Liberation Organisation and granting self-determination to the Palestinians.

Though consistently critical of the European initiative since it was first mooted, the attacks on it—and especially Britain's role in the process—have intensified recently as the date for Britain's assumption of the Presidency draws nearer.

What appears much like an orchestrated and escalating campaign against Britain has not been restricted to criticism by Government officials and members of the Opposition Labour Party. The Israeli press has been publishing articles attacking the initiative, and Britain in particular.

The success of Mrs. Margaret Thatcher's tour of the Gulf States, and especially the arms deals she is clinching, has increased yet further the Israel worries about the tide of British policy.

Officials at the Israeli Foreign Ministry admit that the Europeans are basically friendly nations who share Israel's desire for peace in the region.

But at the same time, they say that Europe's approach is misguided self-interest which will serve to harden Arab intransigency rather than encourage compromise.

They also admit that Israel will use every possible leverage to try to block what they believe will be an active policy by Lord Carrington to promote the Europe peace initiative.

Uneasy calm grips Beirut

BY IHSAN HIJAZI IN BEIRUT

AN UNEASY calm was holding in Beirut and the Christian town of Zahle in central Lebanon yesterday, after a truce took effect on Wednesday night, on orders from President Elias Sarkis.

It was the 20th ceasefire since the latest round of fighting broke out 22 days ago, and it is not thought likely to hold for long, given previous experiences.

Mr. Sarkis ordered the truce after what the rightist Voice of Lebanon radio called "three hours of hell," during which artillery shells and rockets rained on most of the capital and its suburbs.

At least 15 people were killed, eight of them in Zahle, and many more were wounded.

Artillery exchanges between high-rise buildings raged before the ceasefire came into effect. Syrian troops of the Arab Deterrent force are deployed in the mainly Moslem West Beirut, while Christian Militias and units of the Lebanese army are entrenched in the Christian quarter of Ashrafiyeh.

A determined attempt was also being made to keep Beirut Airport closed. The fall of several shells on the runway dashed hopes for an early reopening of the airport, which was closed to all incoming and outgoing flights two days ago.

President Sarkis is still counting on contacts with Damascus to ensure a more stable peace in the country. A special emissary, Brig. Sami Al-Khatib, the President's liaison man with the Arab Deterrent Force, has been travelling between Damascus and Beirut for the past two days.

West to revive UN plan on Namibia

By Our Foreign Staff

SENIOR officials of the five Western contact group members negotiating with South Africa for independence in Namibia decided in London yesterday to revive the three-year-old United Nations independence plan for the disputed territory which was frozen when President Ronald Reagan was installed in the White House in January.

Officials from Britain, West Germany, France and Canada were briefed by Chester Crocker, President Reagan's chief African adviser, following his 12-nation tour of the continent. Mr. Crocker's talks with African leaders centered chiefly on the Nambian question and the subsequent revival of the UN plan indicates some African success in persuading him not to radically alter the West's course on the issue.

Mr. Crocker, who left London for Washington yesterday afternoon, had tried to interest African states directly concerned with the Namibia dispute in in a constitutional conference similar to the one which eventually saw Zimbabwe win legal independence. The UN plan merely calls for a ceasefire, then an election, and provides no constitutional guarantees after independence.

Asylum ruled out

U.S. officials have effectively ruled out the possibility of political asylum for Thailand's fugitive rebel leader, Gen. Sant Chitpatima, by saying it is a matter for Burmese and Thai authorities to resolve, AP reports from Bangkok.

Embassy 'siege'

Iranian Revolutionary Guards fired into the air and lobbed tear-gas grenades to disperse a crowd of about 5,000 Armenians besieging the Turkish Embassy in Tehran yesterday, witnesses said, Reuter reports from Tehran.

'General killed'

Khmer Rouge guerrillas of the ousted Cambodian Premier, Pol Pot, claimed yesterday that their forces had killed a Vietnamese lieutenant-general in central Cambodia, AP reports

Quentin Peel assesses South Africa's ruling party's prospects of defeat

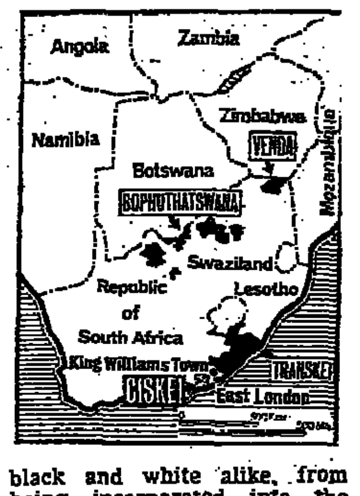
Arch-conservative threat on the Ciskei frontier

KING WILLIAM TOWN, once a garrison town of British soldiers for the bitterly disputed land of the Xhosa tribes between the Fish and Kei Rivers in South Africa's Eastern Cape province, no longer really looks like a frontier town. It is too solid and well-established, thanks to its business of supplying both white farmers and black trading stores in the neighbouring Ciskei tribal homeland. But many of its 10,000 white inhabitants still see themselves as some sort of frontiersmen.

Mr. Brian Nel is a good example. He stands, hands on hips, dressed in blue overall, shorts and long socks, behind the counter of his gun shop-cum-welding workshop, and says quite casually: "I've got a .38 under the counter pointing at your navel just in case I need it." It was not a threat, simply a statement of fact. Whenever he leaves the store, he also wears a pistol ostentatiously hanging from his belt.

Apart from being a freemason and a born-again Christian, Mr. Nel is also the candidate for the arch-conservative Herstigte Nasionale Party in the King Williams Town constituency in the current South African general election. Despite being the most colourful candidate he is unlikely to win the seat. He is, none the less the key figure, for his intervention seems likely to lose the seat for South Africa's ruling National Party.

Mr. Nel was the prime mover behind a campaign to prevent King, as the town is known to



black and white alike, from being incorporated into the Ciskei homeland as its capital. Its incorporation was recommended by a government commission of inquiry, and demanded by the future Ciskei government. But finally, last week, Dr. Piet Koornhof, the Co-operation and Development Minister, told a rowdy meeting in the town that the cabinet had decided to back down. King would stay white.

The decision may or may not have come in time to save the National Party its seat in King Williams Town, but it has opened a debate in the area which goes to the heart of the Government's apartheid policy. It also calls into question whether or not Mr. P. W. Botha's Government will stand by its promises of racial reform and concessions to South Africa's majority black population, or back down in the face of conservative white reaction.

King Williams Town stands in the heart of what is known as the border region, a strip of white farming country which runs inland from the port of East London, wedged between the two Xhosa homelands of Transkei and Ciskei. It is also the area where the Government's grand strategy of separate development has gone furthest towards fulfilment: Transkei became independent in 1976, and next December the Ciskei will become South Africa's fourth independent Bantustan.

The Ciskei, in particular, has been the destination of a programme of mass ressettlement of blacks, although it is already overpopulated and rapidly turning into an agricultural dustbowl. The result has been soaring unemployment, desperate poverty, malnutrition, and a rapidly growing crime rate in such affluent white towns as East London. Attempts to attract new industries have been notably unsuccessful, partly because of uncertainty over the region's future, while agricultural development and irrigation have benefited only a tiny proportion of the black population.

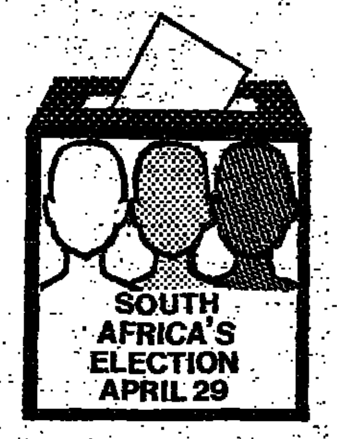
King Williams Town itself was the home of Steve Biko, founder of the Black Consciousness movement who died in police detention, while East London has the fastest-growing radical black union, the South African Allied Workers union, with more than 20,000 members.

"There has been traditional apathy and an unwillingness among whites here to face up to the situation," says Mr. Errol Spring, the Progressive Federal Party candidate in King Williams Town. "But white voters are suddenly starting to see Government policy as a threat to their existence. It has taken the King Williams Town issue to bring it home to them. But they are still totally confused and there is great fluidity."

Other Government opponents agree. Mr. Ray Radue, standing as a provincial candidate in King for the New Republic Party, in between the Liberal Progressive Federal Party and the Conservative National Party, sees the result there as: "The watershed of South African politics. For the first time ever, South Africans are thinking policy, not just voting Nationalist because they were born Nationalist."

An element of over optimism undoubtedly exists among opposition parties at the ruling party's obvious embarrassment, but loyal Nationalists admit to considerable confusion in their ranks. "It was very difficult to get an organisation running at all, as long as this question of consolidating was undecided," admits Mr. Bill Deacon, the English-speaking Nationalist candidate in King.

Local observers expect that out of seven border area seats, the ruling party could lose two of the six it holds, partly because of obstentions, partly because of lost votes to the Herstigte Nasionale Party, and partly because some English-speaking voters may return to



the traditional English-speaking opposition. The New Republicans are the favourite to win King, while the Progressive Federalists are hoping to win the Albany seat which includes the university town of Grahamstown.

But whether there is any very fundamental rethinking going on yet is less likely: it is rather confusion and uncertainty. "Most people in the border region have been affected by the practical workings of apartheid," says Valerie Viljoen, regional secretary of the Institute of Race Relations. "Holiday cottages have been taken into the Ciskei. They can only hire workers from people living in the homelands, and they are aware of the crime rate. But they have got no idea what is really happening in the Ciskei. They have a naive idea that resettlement is like slum clearance, putting people back to work on the land. They don't see the starvation."

Cairo storm grows over Osman memoirs

BY ALAN MACKIE IN CAIRO

A STORM is growing in Cairo over the recently-published memoirs of Mr. Osman Ahmad Osman, Egyptian businessman extraordinary.

Mr. Osman's autobiography A Page From My Experience, published a month ago, has run into such a furore over its contents, that a second print, ready for distribution, had to be withdrawn at the last minute. President Anwar Sadat has set up a Parliamentary Committee to investigate allegations made in it.

The book does not cover any new ground, but merely raises old controversies and adds some highly-individual interpretations on them. Sales, in fact, were languishing until Mayo, the weekly paper of President Sadat's National Democratic Party, sensing good material with which to belabour the Russians and the Nasserists, started publishing some of its highlights.

People Mr. Osman had taken to task then took the opportunity to hit back hard.

One of Mr. Sadat's most consistent critics, Mr. Helmi Murad, took matters further by suggesting in the opposition paper Al Shaab that a Parliamentary inquiry was by its nature "inadequate." The courts, he said, had the machinery to deal with cases involving the allegations.

The whole controversy has been deeply embarrassing for Mr. Sadat. The President is a very close friend of Mr. Osman. To Mr. Sadat, Mr. Osman is a paragon of enterprise. Mr. Sadat is comfortable with his business style, and is relying heavily on him to get Egypt's development programme moving.

In preparation for this, Mr. Osman was brought back into the Government three months ago as a Deputy Premier in charge of all development matters, and the Egyptian Press blossomed with articles on his achievements and goals. The book was supposed to set the seal on this campaign.

Nor has Mr. Sadat's response to the controversy enhanced his standing. He stopped all advertising of the book and instructed the Government media to print letters from anyone wishing to reply to allegations.

But in fireside chats with Mayo's editor, he has made some surprising observations—that he knew nothing about the book's contents until the controversy surfaced, and that it was all the work of Nasserists wanting to bring down Mr. Osman, and the Government.

Officials admit privately that the whole business has been badly handled and are trying to contain the damage. Mr. Sadat will have to work a little harder to maintain his popularity.

Mr. Osman Ahmed Osman

Seaga promises full deregulation of the economy

BY CANUTE JAMES IN KINGSTON

JAMAICA'S GOVERNMENT is to revamp the island's economy as part of its undertaking to the International Monetary Fund for access to $698m (£324m) in credits over the next three years.

Mr. Edward Seaga, the Prime Minister and Finance Minister, told Parliament in Kingston that the economy will be totally deregulated, with the progressive dismantling of import restraints and the removal of price controls and Government subsidies in many sectors.

The government is also ending its involvement in several areas of the economy, which will be denationalised, and the role of the state in trading will be extensively reduced.

These are some of what Mr. Seaga described as "positive" conditions agreed with the IMF, the implication being that these were more acceptable than those which his predecessor, Mr. Michael Manley, accepted from the fund between 1977 and 1979. In fact, it was frustration over trying to satisfy the fund which caused Mr. Manley to call off talks with the IMF for further assistance a year ago.

The IMF loans now agreed will bring almost immediate relief to the Jamaican economy which has suffered a chronic shortage of foreign exchange over the past three years. During the first year of the agreement, Jamaica will be able to draw $260m of the $650m extended fund facility and the whole of a $48m compensatory finance facility.

Mr. Seaga has already obtained a tranche of $28m and will have access to $57m next week. But he told Parliament on Wednesday that he would have to seek bridging finance because the flow of foreign assistance over the next few months would be uneven. There is an urgent need to meet arrears of $120m on imports.

Mr. Seaga has boasted that with the present agreement, there will be no changes in the parity of the Jamaican currency. He has also headed off what promised to be a bitter confrontation with the unions by announcing that the Government was dispensing with wage guidelines.

The final straw which broke Mr. Manley's political back was a request from the IMF for a budget cut which would make 11,000 government workers jobless. Mr. Seaga has said there will be no cutbacks, but there will be no new government jobs for three years and existing vacancies will be frozen.

Mr. Seaga can now expect about $1bn in external financial support in this financial year. In addition to and because of the IMF, he will be getting about $450m from the Caribbean Group for Economic Co-operation in Development, which includes the U.S., Britain, Canada and Japan, $50m in loans from the U.S. Government; $70m from a consortium of commercial banks, and other amounts from the World Bank and the Inter American Development Bank.

But Jamaica will have to adhere to economic performance criteria stipulated by the IMF. Bank credit to the public sector this year must not exceed J$140m (£36m); the net domestic assets of the Central Bank must not go up by more than J$269m by February, 1982 and the external assets of the Central Bank must improve by $40m by the end of this financial year. At the end of last month the Central Bank had a deficit on its external assets of $586m.

To ensure there are no future problems with the fund, the Government has outlined its production targets in a memorandum to the IMF. These are based on improvements in the three pillars of the island's economy.

- Tourism, which earns about $200m a year, is to increase its earnings to $375m a year by 1984.
- Bauxite is expected to increase earnings by $45m by 1984. The industry last year earned $209m.
- The sugar industry which this year will produce 230,000 tonnes, is expected to produce 330,000 tonnes by 1984, earning an additional $30m, and the banana production target is 120,000 tonnes by 1984.

Everyone agrees on the need for an anti-inflation strategy but not on the tactics, writes David Lascelles

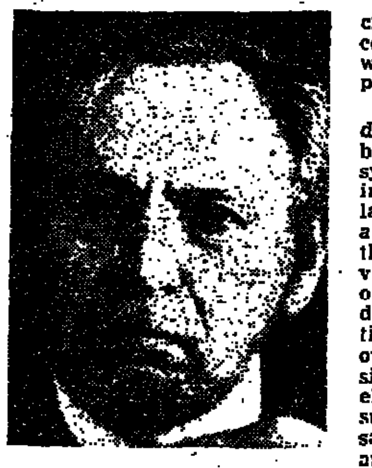
Monetary policy raises 'a storm in a cocktail-shaker'

"WE ARE united on the aims but divided over the means," said Mr. Donald Regan, in reply to a question last week on how the new Administration viewed the Federal Reserve's handling of monetary policy.

The Treasury Secretary's remark was the frankest admission yet of a simmering dispute between the Administration and the Fed over monetary policy. But it could be just another of those doctrinal disputes which dog governments' relations with their central banks, particularly ones which prize their independence.

As Mr. Regan indicated, everyone agrees the U.S. needs a firm long-term monetary policy to combat inflation. Where they part ways is over the emphasis which should be placed on it and how it should be implemented. The debate owes much to the presence in the Administration of a strong monetarist clique, including such people as Mr. Beryl Sprinkel, under-secretary of the Treasury for monetary affairs, and Mr. Jerry Jordan, just appointed to the Council of Economic Advisors. Both have long been outspoken critics of the Fed.

Monetarists assign a leading role to the central bank because they believe the war against inflation can succeed only if the money supply is brought under control. But the Fed says there is a limit to what monetary policy alone can do.



Mr. Anthony Solomon: 'I think there is a real danger that the monetary solution to inflation will be seen in overly simple terms'

The Fed's critics have also been worried for some time over its apparent failure to foster smooth and stable growth of the monetary aggregates and have "suggested" some improvements. The Fed, which is very selective in the advice it takes, says it is doing the best it can, but acknowledges that some changes might help.

The parties to the dispute crystallised their positions in a couple of recent speeches which were obviously as carefully prepared as they were timed.

Mr. Anthony Solomon, president of the New York Fed, the branch of the Federal Reserve system most closely involved in implementing monetary policy, launched into the fray by attacking the monetarist notion that slowing money growth provides an easy "technical" way out. "I think there is a real danger that the monetary solution to inflation will be seen in overly simple terms and that sight will be lost of the other elements that will be needed if success is to be achieved," he said at a gathering of financial analysts in Manhattan.

Mr. Solomon cited the experience of West Germany, where in the four years up to 1978 money was growing way above target, yet inflation fell from 6 per cent in 1975 to 2.5 per cent by the end of 1978. To defeat inflation, he said, it is not enough to have a firm monetary policy which by itself can do more harm than good. There must also be a sound fiscal policy, a cut in the regulatory burden, and higher productivity. Knocking the ball even deeper into the Administration's court, he said the Government's programme as a whole must have the credibility necessary to break inflationary expectations.

The White House's reply was put by Mr. Sprinkel in testimony a few days later to the joint economic committee of Congress, where he argued that the Fed's role in breaking those expectations was crucial: "A steady and predictable decline in the rate of monetary growth will not only decrease the rate of inflation but promises also to have a prompt effect on inflationary expectations and a minimum disruptive effect on economic activity."

Mr. Sprinkel went on to criticise several aspects of the Fed's operations: the sharp ups and downs in the money supply, the confusing proliferation of money supply definitions (all those Ms). He also took issue with the Fed's claim that weekly wiggles in the money statistics do not matter so long as the long-range objectives are met: "The evidence is clear . . . short-term variations in money growth have a strong effect on growth and spending in the economy," he said flatly.

Mr. Sprinkel also urged the Fed to try and ignore the impact on interest rates of its money supply control efforts. Officially, the Fed is already trying to do this, but there is a widespread suspicion in both Washington and Wall Street that it gets nervous when rates go up and that it tends to back off.

Mr. Sprinkel, who thinks the Fed should have no monopoly on offering advice, concluded by suggesting some changes in the way it operates. That it should pay less attention to the Ms. and more to such reserve aggregates as the monetary base which determine how much money there is in the economy. He also wants the Fed to tie its discount rate more closely to the market. At the moment this rate, which is what the Fed charges on its loans to banks, is usually fixed for long periods below the market rate.

Mr. Beryl Sprinkel: 'A steady decline in monetary growth will not only decrease the rate of inflation but also promises a minimum disruptive effect on the economy'

The Fed had already said it might do this. But it is also considering other changes, like ceasing to publish the money supply statistics once a week because short-term fluctuations, often meaningless, have a big impact on the credit markets.

But fraught with implications for money and interest rates though this debate may seem, many view it as largely academic, as affecting form rather than substance. Both parties agree on the goals of monetary policy, and Mr. Sprinkel himself said he does not want a confrontation with the Fed. Mr. Solomon describes much of the dispute as "small potatoes" and he is worried that people may read profound disagreements into it. One Wall Street economist dismissed it as "a storm ina cocktail shaker."

Nor is it very clear to what extent the views of the monetarist clique reflect those of the Administration as a whole. While Mr. Sprinkel undoubtedly speaks with authority, his views have been well-known for some time, notably when he was a member of the Shadow Open Market Committee, a self-appointed Fed watchdog which recently proposed that the Fed governors should resign if they fail to meet their monetary targets. It does suggest, though, that neither the Administration nor the Fed want to ease up the credit reins, so European worries about a strong dollar may remain unassuaged.

Helms defied in State Department appointment

BY OUR U.S. EDITOR IN WASHINGTON

THE REAGAN Administration has finally decided to confront the wrath of Senator Jesse Helms, the arch-conservative Republican from North Carolina and has nominated Mr. Thomas Enders to become Assistant Secretary of State for Inter-American affairs.

The problem for Mr. Enders, a career diplomat whose most recent posts have been as ambassador to the European Community and in Canada, is that Mr. Helms considers him insufficiently anti-Communist. The Senator has applied the same judgment to several senior State Department appointees and has delayed the Senate ratification of many of them so far.

The flavour of Mr. Helms's opinion was much in evidence on Wednesday when he questioned another controversial Reagan nominee, Mr. John Gavin, the Hollywood actor, who has been picked as ambassador to Mexico.

Mr. Helms tried, unsuccessfully as it turned out, to elicit from Mr. Gavin the opinion that he thought that Marxism was a prime threat to Mexican stability and that, indeed, the regime south of the border was in any case far from stable.

Mr. Gavin's nomination has been sharply criticised in Mexico as an insult because he is best known there for his role in a series of rum commercials. But he showed a nice diplomatic touch in fending off Mr. Helms's assault. He even impressed some senators by his demeanour and his guardedly offered knowledge of Mexican and Latin American affairs.

White House defends cuts

BY DAVID BUCHAN IN WASHINGTON

THE WHITE HOUSE yesterday released a report which claims that the net impact of the Administration's public spending and tax cut proposals will bear equally on all regions of the country.

The study, by the Budget Office, is a response to criticism by congressmen from the North-east and Middle West of both political parties, who say that their part of the country, with its more-elderly industrial plant and generally higher welfare rolls, would suffer most from the Reagan cuts.

The Budget Office claim is that reductions in federal spending will total, for the coming year, $170 per person in the North-east and South, $168 in the West and $158 a head in the Midwest. The report describes these as "virtually equal."

IMF changes will make SDR more attractive

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE INTERNATIONAL Monetary Fund yesterday announced a series of highly technical decisions affecting its financial relationship with debtor and creditor nations and enhancing the attractiveness of its own currency, the special drawing right.

The effect of the policy changes, which will become operative on May 1, is to pay members holding SDRs and those in a creditor position more and to charge borrowers, on average, more for their use of IMF resources.

The changes in the SDR are two. Holders will be paid the going weighted average market rate for short-term paper in the five major industrialised countries, rather than the 80 per cent currently in force. The current requirement that holders must maintain a 15 per cent balance of SDR holdings with the Fund will be eliminated. These changes complete a protracted evolution of the SDR to the point where the Fund hopes it can be considered a fully fledged international reserve asset.

Stemming from this, the IMF has adjusted its formula for paying interst to creditor nations. Remuneration will be raised in the current quarter from the prevailing 9.1125 per cent to 10.69 per cent.

It has also revised its scale of charges for members' use of its ordinary resources, instituting a flat rate of 6.25 per cent per annum on outstanding balances instead of a sliding scale which had averaged 5.23 per cent in the 12 months ending March 31 this year.

The changes in the SDR reflect the mandate given to the IMF at its annual meeting in Washington in October to bring the SDR interest rate into line with market rates and to eliminate the remaining reserve.

Japan toughens stance on Bandar Khomeini

BY RICHARD C. HANSON IN TOKYO

THE JAPANESE partner in the troubled multi-billion dollar Iran-Japan petrochemical complex at Bandar Khomeini has decided on much tougher conditions for Japan's continued participation.

The board of the Iran Chemical Development Corporation (ICDC), led by the Mitsui group, adopted the position that Iran, not the Japanese partner, should bear the mounting expenses resulting directly from the stoppage of work since last year during the Iran-Iraq war.

The stance does not mean that the Japanese side is on the verge of withdrawing from the project, which it entered nearly a decade ago. It does, however, represent a considerable hardening of views.

First move

The decision is the first move from the Japanese side in a new round of negotiations on the project. Officials were careful to say that it is not a "final position."

The Japanese are, in effect, saying to Iran that the problems faced in completing the project, which was 85 per cent complete when war broke, were caused directly by Iran's involvement in the war with Iraq.

The Japanese side should not be made to pay for the increased costs — including interest payments, personnel and other operating costs— which may result from the war.

No-one knows how much the bill for Bandar Khomeini is likely to be increased by the war but the assumption is that the project will cost far more than the pre-war estimate of Y720bn.

The ICDC expects a reply from Iran to its latest set of demands before the end of May, when a further payment on capital is due from the Japanese side.

Official aid

The willingness of the ICDC to make this payment (Y6bn) has been in doubt because of a Japanese government refusal to extend official aid to the project.

The Japanese Government agreed to take a portion of the capital of ICDC in 1979 as part of a revised agreement to keep the project going. The government's own policy, however, forbids extending funds in cases where war has broken out in the country receiving the funds.

The Japanese side holds a 50 per cent stake in the Iran-Japan Petrochemical Corporation, the joint venture formed to build Bandar Khomeini, the other partner is the Iran National Petrochemical Company.

There is no clear schedule for negotiations, though missions are being planned to try to assess what damage the complex may have suffered during the war.

Tokyo-London meetings ahead

BY CHARLES SMITH IN TOKYO

OFFICIALS from the UK Department of Industry and Japan's Ministry of International Trade and Industry are to meet "at least once a year" in order to study ways in which the two countries can co-operate in the development of advanced technology.

This was agreed last night at a meeting between Mr. Kenneth Baker, the British Minister of Industry and Information Technology, and Mr. Rokusuke Tanaka, Japan's MITI Minister.

The two released a statement in which computers, telecommunications equipment, biotechnology, robotics and computer-aided manufacture were mentioned as examples of fields in which co-operation might be possible. It also said that private companies and others would be encouraged to study ways of co-operating in new technology.

Technological co-operation is regarded as one of the fields in which scope exists for the "positive development" of UK-Japanese relations—in contrast with trade, where the outlook is for a continuation of the present heavy imbalance in Japan's favour. Japan's achievements in computers and telecommunications have impressed recent UK visitors to Tokyo and created the impression that it could be time for Britain to start learning from Japan.

Apart from meeting Mr. Tanaka, Mr. Baker yesterday had a session with the president of Nippon Telegraph and Telephone, the Japanese state telecommunications monopoly, at which technological co-operation and access for British companies to NTT procurement were the major themes.

Mr. Baker showed interest in NTT's optical fibre research programme and suggested an exchange of experts in this field.

Talks with Chinese over £652m plant contracts

TOKYO — A team of government officials will be sent to Peking next week for talks with Chinese authorities in an effort to reinstate China's $1.5bn (£652m) plant contracts with Japanese companies cancelled by Peking early this year, Mr. Masayoshi Ito, the Foreign Minister said yesterday.

Mr. Ito told a session of the House of Councillors' Foreign Affairs Committee that the team will consist of officials from his Ministry, the Ministry of International Trade and Industry, the Finance Ministry and the Economic Planning Agency.

In January, China notified Japanese contractors that it was cancelling four major petrochemical and steel projects totalling up to $1.5bn because it did not have the money to pay local construction, labour and other costs.

China reversed that decision earlier this month after Japan protested at the way it was being treated. Peking has offered conditions to reinstate three of the four projects if Japan provides an unspecified amount in long-term, low-interest yen credits and other loans.

Japan has proposed that part of the yen credit be converted into a commodity credit. It also has said it will try to raise funds from commercial banks and the governmental Export-Import Bank.

AP

Moscow steel price talks next week

TOKYO.—Four Japanese steel companies will send a mission to Moscow next week to negotiate prices of large diameter pipe for a 5,000 km natural gas pipeline from Siberia, to Western Europe, Nippon Steel said.

The negotiations, which are likely to be extremely tough, follow talks here last month, during which the companies, including Kawasaki Steel, Sumitomo Metal Industries and Nippon Kokan offered to sell the Soviet Union 3.5m tonnes of pipe over four years from July.

Industry officials said no progress had been made on Moscow's request for a $3bn (£1.4bn) loan from Japan's Ex-Im Bank to finance imports of steel pipe and other equipment for the $15bn pipeline project.

The bank said earlier it was waiting for West European countries to conclude deals to import natural gas before making a decision.

Reuter

Qantas calls for discount air fares

By Patricia Newby in Canberra

MR. JIM LESLIE, chairman of Qantas, yesterday called on the Australian Government to allow the airline to discount fares.

Speaking in Canberra, Mr. Leslie accused the Government of imposing on Qantas an "outdated fare structure" which inhibited the airline's ability to compete with other international carriers.

Airfare discounting is illegal in Australia under the Department of Transport's air navigation regulations.

The Department has cracked down recently on illegal airfare discounting, although the practice is still said to be widespread.

Cases against several travel agents and Singapore Airlines are before the courts in three Australian states.

Mr. Leslie said yesterday that Qantas was not afraid of competition and was "deeply concerned" that an airline owned by the Australian people could not match foreign competition.

He said discounting was of benefit to consumers, especially in view of the fact that at present one in three seats on aircraft flying into and out of Australia was empty.

"We would like to do what some of our foreign competitors do and discount. That is breaking the present Australian law and until we can get that changed, then Qantas cannot compete," he said.

The Australian Government is reviewing Australia's international civil aviation policy including the question of whether Qantas remains Australia's sole international carrier.

The two domestic airlines, Ansett, owned by Mr. Rupert Murdoch, and TAA, owned by the Government, are interested in operating routes outside Australia.

In addition, a number of small companies have indicated that they would like to operate charter flights to and from Australia if the government changes its policy.

Mr. Ralph Hunt, the Minister for Transport, told the tourism outlook conference yesterday that he expected a result from the international civil aviation inquiry by the end of the year.

Although a separate matter, the future of Qantas is likely to be affected by the attitude of the British Government to the British Civil Aviation Authority's decision, expected soon, on whether Laker Airways and British Caledonian should be allowed to operate low-fare schedules between the UK and Australia.

Turkish trade arrears scheme proves attractive

BY METIN MUNIR AND DAVID TONGE IN ANKARA

THE Turkish Government programme for liquidating non-guaranteed trade arrears to foreign suppliers has succeeded in attracting a large number of subscribers, according to the latest figures of the Central Bank in Ankara.

Suppliers arrears claims arise from trade creditors who have claimed mainly from cash-against-goods and cash-against-documents transactions which were not insured by foreign governments or their agencies. Turkey could not settle these because of insufficient foreign currency reserves.

The Central Bank says that 80 per cent of these foreign suppliers, to whom Turkey owes about $1.3bn (£565m) have agreed to receive payment under one of the two schemes offered.

Under one scheme, suppliers can opt for repayment in foreign currency over 10 years with 4½ years of grace. Interest ranges between 3 per cent and 8 per cent depending on the currency selected.

The first interest payment was due in the beginning of this month. The Central Bank says interest payments were delayed by administrative problems but would be made before the end of the month.

The second option open for suppliers is repayment in Turkish lira.

Turkish lira funds can be used for increasing the working capital or already existing investments, payment of equity portfolio of new investments, for shipbuilding, for the extension of Turkish lira credits to importers in Turkey and in several other ways.

Of the 80 per cent who have already made their choice, 60 per cent ($624m) have selected to be paid in foreign currencies and 40 per cent ($416m) in Turkish lira.

Many of those who selected the Turkish lira option have extended these amounts as credits to Turkish importers or increased their capital in their investment in Turkey.

Hope fades for import control agreement

BY BRIJ KHINDARIA IN GENEVA

HOPES are fading for an early conclusion of a new international agreement allowing Europe and North America to use import controls to protect home industries beleaguered by products exported by developing countries.

The agreement permitting such "safeguard" action was to be part of the Tokyo Round trade package completed two years ago, but disputes mainly between the Common Market and some major developing countries forced postponement of negotiations.

A working group of the General Agreement on Tariffs and Trade (Gatt), which oversees all international trade accords, found in talks this month that positions remain too far apart for a compromise to emerge if intensive negotiations were called. Plans for such negotiations have been shelved indefinitely.

Under Gatt's existing article 19, safeguard action can be taken in exceptional circumstances, but the import curbs must affect all suppliers equally and must be justified in Gatt's council, the executive body.

The Community, as well as Norway, Sweden and Canada has, in fact, used safeguard measures in such a selective manner without Gatt's consent.

The article has been invoked rarely because its application jeopardises good relations with major trading partners as well as less important ones, when curbing imports from those lesser partners may be sufficient to protect the interests of domestic producers.

The Common Market, for instance, is reluctant to curb imports from the U.S. or other industrialised countries even if domestic industries are threatened because it feels that such imports foster competition.

It is more ready to limit imports from the Thord World because lower living standards and wage levels are seen as providing "unfair competition" to local producers.

For these reasons, the Community insists that it should be allowed to use safeguard actions selectively against certain foreign suppliers.

U.S. visitors denied meeting with Sands

By Our Belfast Correspondent

THE Northern Ireland Office yesterday turned down a request from Mr. Ramsey Clark, the former U.S. Attorney General, to visit Mr. Bobby Sands, MP, whose condition is worsening while on hunger strike in the Maze Prison outside Belfast.

Mr. Clark and the Reverend Daniel Berrigan, a Jesuit priest who flew with him to Dublin from the U.S., said that the British Government should accede to the demands of protesting Irish Republican prisoners, whose crimes were "clearly politically motivated."

Both later travelled to Belfast at the invitation of Mr. Sands' supporters. Their application for a visit to the prison was rejected by the Northern Ireland Office which said it would serve no purpose.

Mr. Sands, recently elected MP at Westminster, for Fermanagh-South Tyrone, is growing weaker. He is on the 55th day of his hunger strike.

The condition of three other Republicans who joined the hunger strike later was giving no cause for concern, according to the Northern Ireland Office.

Mr. Sands said in a statement here that he was prepared to meet formally or informally with members of the European Commission for Human Rights provided he was allowed to be accompanied by a fellow prisoner and by two members of Provisional Sinn Fein.

He did not say if he was taking any steps to petition the Commission to investigate his case.

Tension remained high yesterday, after another night of rioting, which spread from the usual trouble-spots of Belfast and Londonderry to other centres, including Lurgan, Portadown, and Dongannon. More rioting, hi-jacking and burning were reported in Belfast during the day.

Stewart Dalby in Dublin writes: Diplomatic efforts continued here to explore ways which Mr. Sands might be persuaded to end his hunger strike.

Neither the British Embassy nor the Irish Government has revealed details of what happend at the meeting between Mr. Charles Haughey, the Irish Prime Minister, and Mr. Leonard Figg, the British Ambassador.

Shell in £19.5bn deal for supplies of Saudi oil

BY RAY DAFTER, ENERGY EDITOR

THE SHELL GROUP has made a 15- to 20-year deal to buy 1.33bn barrels of oil from Saudi Arabia, worth £19.5bn at current prices, it was disclosed in London yesterday.

The deal, resulting from Shell's investment in Saudi oil refinery and petrochemical expansion, has provided the group with its first contract supplies of Saudi Arabian crude oil. Up to now U.S. companies primarily have benefited from Saudi output and its moderate pricing policies.

According to the annual report of Shell Transport and Trading, the UK arm of the Anglo-Dutch oil group, liftings of Saudi crude began in January.

The report, published yesterday, says that the group's U.S. affiliate, Shell Oil, will buy 1bn barrels of Saudi crude as a result of its involvement in construction of a petrochemicals complex at Al Jubail, on the Gulf coast north of Damman. Royal Dutch-Shell was entitled to purchase a further 300m b/d as a result of its association with a Saudi refinery construction project.

Shell Oil was lifting at an initial rate of 40,000 b/d, while Royal Dutch-Shell had started shipping Saudi crude at a rate of 12,000 b/d.

This is the first time that details of the Saudi deal have been disclosed.

Under the arrangements Royal Dutch-Shell is to provide 30 per cent of the $2bn refinery construction costs. In return it will lift crude over a 15-year period, starting at 12,000 b/d this year and rising to 24,000 b/d in 1982, 36,000 b/d in 1983 and 48,000 b/d in 1984.

The peak lifting rate of 60,000 b/d will be reached when the refinery comes on stream in 1985.

The Shell Oil contract is over a 19-year period and will involve the company's lifting up to a level "somewhat below 200,000 b/d," a spokesman in Houston said last night.

On this basis the Shell group as a whole could be buying up to 250,000 b/d of Saudi crude oil in the second half of the 1980s. The amount represents some 6.7 per cent of Shell's crude oil supply last year.

Mr. Peter Baxendell, chairman of Shell Transport and Trading, reported that the Saudi agreements provided opportunities for "significant and growing" availability of crude oil and of oil products and chemicals from the kingdom.

He made the point that a particular problem for Shell's competitive position last year was that a number of its competitors had access to Saudi crude, which in 1980 accounted for 39 per cent of the Organisation of Petroleum Exporting Countries' production, and which was being sold at $2 a barrel below the price of similar crudes.

The differential had now increased to $4, although he expected the "abnormal" spread of prices would tend to be corrected in 1981 as a result of the softening market.

The Royal Dutch-Shell Group, which reported a net income of £2.2bn in 1980 as against £3.05bn in 1979, invested £2.9bn last year.

Of this investment £2.3bn went on oil and natural gas activities, £390m was spent on chemicals development, £94m was injected into the coal industry and £54m went on metals.

Mr. Baxendell said that while oil and gas activities would dominate the work of Shell companies for many decades, the ocal and metals sectors had encouraging prospects.

The group's coal expansion was on course. Its internationally-traded coal totalled 7.9m tonnes in 1980, an amount that was planned to grow threefold by 1985.

Three sites on Nissan factory shortlist

By John Lloyd, Labour Correspondent

NISSAN, THE Japanese motor manufacturer, has narrowed its choice of sites for a possible UK car plant to Humberside, Tees-side and South Wales, according to union officials.

Discussions with Nissan executives over the last two weeks have convinced the unions that Britain is first choice for a European plant, with Spain a close second.

***Nissan has made it clear* that it wants as few unions as possible.**

The unions have been told that agreements can be made before production is started and that wage rates will compare favourably with the rest of Britain's motor industry.

Mr. Alex Kitson, deputy general secretary, and other Transport and General Workers' Union officials have met the Japanese Nissan trade union which is concerned about the effects of Nissan's proposed £200m investment in Europe on *employment in Japan.*

The two sides agreed not to harm each other's interests but it is recognised that if Nissan establishes a factory in Europe there is little they can do.

Alcan rolling mill faces closure threat

BY ROY HODSON

THE ALCAN ALUMINIUM (UK) company's biggest British rolling mill at Rogerstone, Gwent, which employs 1,850 people, is under threat of closure unless it can be brought back into profit.

The company lost £3m in the first quarter of the year, Mr. David Morton, managing director, said yesterday. Rogerstone is proving the biggest single loss-maker of Alcan's 23 British operations.

Mr. Igor Suchoversky, the new chairman of Alcan Aluminium (UK), said: "I am not prepared to have continuous losses at Rogerstone."

He will give the plant about 18 months to break-even. "The mill is a gamble," he said, "but we believe we know more about hot rolling aluminium than most people and we have employed new technology to revamp Rogerstone. It is now turning out a good product."

Mr. Suchoversky does not expect Alcan Aluminium (UK) to return to profit before the second half of 1982 at the earliest: "The prospects seem pretty dim. We will be working for the bankers for a while."

He succeeded Mr. D. A. Pinnis, the chief executive of Alcan's European operations. Mr. Suchoversky's appointment has prompted speculation that the difficulties experienced by Alcan with aluminium fabrication and marketing have forced the parent company in Montreal to put the British operation under tighter control.

Mr. Morton said changes at the UK company, including the recent buying-out of minority shareholders, were moves intended to give freedom for the long-term development of Alcan's presence in Britain.

Although the British investment plan has not been abandoned, it is to proceed at a slower pace while the company is suffering in the recession. Last year Alcan Aluminium (UK) invested nearly £20m in new plant and equipment. Investment is being cut to about £16m for 1981.

Alcan reduced its British workforce by 300 in the last quarter to under 8,000 and intends to cut a further 200 to 300 jobs this year, mostly by natural wastage.

● British Aluminium lost £2.4m before tax in the first quarter and expects a substantial loss in the first half year, Mr. R. E. Utiger, chairman, told the annual meeting yesterday.

Prospects for the second half, he said, depended heavily upon the timing and the extent of the forecast recovery in the British economy and on trends in the international aluminium industry.

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Rodgers to fight Stockton for SDP

By Margaret Van Hattem

MR. WILLIAM RODGERS will seek to hold his present parliamentary seat of Tees-side Stockton for the Social Democratic Party at the next General Election.

"I have decided that I very much want to fight Stockton in the next General Election and have no intention of going elsewhere," the former Labour MP *said yesterday in a letter to the* chairman of the Social Democratic Party's provisional group in the constituency.

"I hope very much that my present constituency is not split up as the boundary commissioners have proposed. But, in the event of this happening before the next election, I would propose to fight one of the new seats that will be created."

Referring to rumours that he might seek to contest a safer seat, Mr. Rodgers said he had been overwhelmed by local support since leaving the Labour Party to help found the *new party. This support had* come from former members of the Labour general management committee in Stockton, from members of other parties, and from trade unionists and businessmen.

"It has been an intensely warming experience and a great encouragement," he said.

Stockton, formerly Mr. Harold Macmillan's seat, has become a safe right-wing Labour one in the 19 years that Mr. Rodgers held it and returned him with a comfortable 16.9 per cent majority at the last election.

However many Labour members in the constituency were greatly disappointed by Mr. Rodgers' decision to leave the party and it is far from certain whether he carries enough personal support to win the seat for the Social Democrats.

Of the four Social Democrat MPs in the North-West, however, he is widely considered the one most likely to carry his seat with him. His decision to contest the seat, therefore, will make Stockton a test case for the new party at the next election.

There is no confirmation yet that the Liberals, who won 6,000 votes at the last election, have agreed to stand down, but they are considered likely to support Mr. Rodgers.

End of a bumpy road for tyre makers' partnership

IN THE WAKE of the ravages suffered by the European tyre industry during the 1970s, Britain's Dunlop Holdings and Pirelli of Italy have decided to end their shaky partnership.

Andrew Fisher and **James Buxton** report on why the Dunlop-Pirelli marriage failed

Inspite of the ambitious claims made for the union, when announced in 1970 at press conferences in London, Milan and Basle, it became apparent fairly soon that the initial harmony would be subject to severe strains.

Dunlop, which yesterday announced sharply higher losses, said the so-called "symmetry of the union" broke down at an early stage when Dunlop, as a result of heavy losses in Italy, had to make a £41.5m provision against its original investment in Industrie Pirelli, the Pirelli operating arm.

The Italian company — its international interests are held through Societe Internationale Pirelli in Basle, Switzerland—began to suffer when Italy's political and economic scene began to deteriorate at the end of the 1960s.

The crisis at Pirelli stemmed from competition from radial tyres by the Michelin group of France, a trend to which the Italian company was slow to respond.

After that, the sharp rise in oil prices cast a lengthy shadow over the whole motor industry—especially on manufacturers of tyres. Tyres still account for 45 per cent of Industrie Pirelli's turnover.

Sir Campbell Fraser, Dunlop's chairman, said yesterday that the two sides had been talking about the possibility of ending their union since 1978. Sig. Leopoldo Pirelli, chairman of the Italian company, spoke of his "real regret" at its dissolution.

Since the oil crisis, tyre companies have suffered from under-utilisation of capacity which, with severe price cutting has led to cuts in production and widespread redundancies.

Dunlop said it had been modernising its typre business in Europe for some time. It has spent more than £50m to update its plants in an attempt to improve its competitive position.

"Pirelli SpA has indicated that it is not prepared toshare in the provision of additional finance," Dunlop said. If the union had resulted early on in the creation of one single business, Sir Campbell said, matters might have been different.

This, he added, "was part of the explanation for its failure to succeed." But the union was complicated enough in its limited form. Unifying the operations of both Dunlop and Pirelli would have been virtually impossible, he said.

Once the Pirelli losses started to destroy the balance of the union, "there were very substantial inhibitions towards bringing about the one business," Sir Cambell said.

When the Dunlop-Pirelli union was born on January 1, 1971, both companies had joint sales of about £900m, net assets of almost £350m, and about 180,000 employees worldwide.

Dunlop took a 49 per cent stake in Pirelli's operations in Italy and other European countries, and 40 per cent elsewhere in the world. This was in exchange for the transfer to Pirelli of equivalent shares in the activities of Dunlop.

Now, however, Dunlop's stake in Industrie Pirelli is only 19 per cent. Sig. Pirelli told his shareholders yesterday that Dunlop refused to invest more money in the Italian company in the early 1970s until it moved back into the black.

When Dunlop fell into difficulties near the end of the 1970s, Pirelli was not ablot to put new funds into the British company.

Last year, Dunlop's pre-tax profits slid by 70 per cent to £10m. Industrie Pirelli made a profit of L3bn (£1.3m), its first for 10 years.

The marriage is not being annulled all at once. The minority interests held by each company in most of the European operations of the other will be relinquished from July.

There will then be a second stage to clear up the remaining minority holdings. Pirelli will pay Dunlop £13m at the end of the first stage in December and a further £9m after that.

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Transvaal

Reports of the directors for the quarter ended March 31 1981.

VAAL REEFS

Vaal Reefs Exploration and Mining Company Limited

ISSUED CAPITAL: 19 000 000 shares of 50 cents each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	Year ended Dec. 1980
OPERATING RESULTS			
GOLD			
North Lease area			
Area mined—square metres 000's	300	297	1 171
Tons milled 000's	1 375	1 328	5 581
Yield—g/t	7.06	7.53	7.08
Production—kg	9 702	9 995	39 536
Cost—R/m² mined	182.13	162.96	168.95
—R/ton milled	30.74	36.45	35.45
—R/kg produced	5 632	4 842	5 004
South Lease area			
Area mined—square metres 000's	132	143	561
Tons milled 000's	704	715	2 858
Yield—g/t	11.54	10.39	10.59
Production—kg	8 195	7 427	30 270
Cost—R/m² mined	191.20	190.87	194.67
—R/ton milled	35.35	38.17	38.21
—R/kg produced	3 079	3 675	3 608
Afrikander Lease area			
Area mined—square metres 000's	11	12	48
Tons milled 000's	21	54	156
Yield—g/t	0.24	0.37	0.45
Production—kg	5	20	70
The Afrikander Lease area is predominantly a uranium producer and its mining and milling costs are included in uranium production costs.			
Totals for the three lease areas			
Area mined—square metres 000's	443	452	1 730
Tons milled 000's	2 100	2 097	8 595
Yield—g/t	8.53	8.32	8.13
Production—kg	17 903	17 442	69 876
Cost—North and South Lease areas			
—R/m² mined	184.90	172.05	177.29
—R/ton milled	32.42	37.05	36.39
—R/kg produced	4 463	4 345	4 399
URANIUM OXIDE			
North Lease area			
Tons treated—000's	1 308	1 283	5 162
Yield—kg/t	0.19	0.18	0.18
Production—kg	245 111	231 141	932 817
South Lease area			
Tons treated—000's	881	847	3 739
Yield—kg/t	0.23	0.21	0.21
Production—kg	199 099	179 032	773 012
Afrikander Lease area			
Tons treated—000's	20	43	142
Yield—kg/t	0.32	0.39	0.37
Production—kg	6 445	18 894	52 557
Totals for the three lease areas			
Tons treated—000's	2 209	2 178	9 043
Yield—kg/t	0.20	0.20	0.19
Production—kg	450 655	429 057	1 756 386
PRICE RECEIVED ON GOLD SALES			
Total			
—R/kg	12 720	15 625	15 748
—$/oz	514	650	632
FINANCIAL RESULTS	R000	R000	R000
Total			
Gold—revenue	224 493	273 540	1 106 331
—costs	79 960	75 834	307 284
—profit	144 533	202 806	799 047
Uranium oxide profit	3 568	17 053	46 335
Acid profit	16	17	61
Tribute profits	5 347	8 463	22 032
Net sundry income	3 836	4 566	12 401
Dividend from Southvaal Holdings Limited:			
—interim declared July 1980	—	—	11 050
—final declared January 1981	—	16 900	16 900
	157 350	250 115	907 826
Deduct:			
Royalties to:			
Southvaal Holdings Limited	39 152	48 043	195 587
The Afrikander Lease Limited	13	12	50
Profit before taxation and State's share of profit	118 185	202 060	712 189
Provision for taxation and State's share of profit	54 530	78 975	335 120
Profit after taxation and State's share of profit	63 655	123 085	377 069
Deduct:			
Appropriation for capital expenditure (after taking account of consumer loans)			120 492
Dividend—interim			117 800
—final			133 000
Retained profit for the year			5 777
Capital expenditure	26 530	49 475	126 106
Consolidated profit			
Consolidated profit, after providing for taxation and State's share of profit, of the company and its wholly-owned subsidiary Western Reefs Exploration and Development Company Limited	63 735	123 143	377 107
North Lease area			
Gold—Revenue	123 235	160 126	627 757
—costs	54 639	48 399	197 846
—profit	68 596	111 727	429 911
Uranium oxide profit	2 289	9 352	28 422
Acid profit	16	17	61
Tribute profit	3 330	5 455	9 060
	74 230	126 551	467 454
Capital expenditure	10 627	16 681	36 403
South Lease area			
Gold—revenue	101 177	118 207	477 482
—costs	25 238	27 294	109 212
—profit	75 939	90 913	368 270
Uranium oxide profit	2 117	8 797	21 631
Tribute profit	2 017	3 008	12 972
	80 073	102 718	402 873
Deduct:			
Capital expenditure excluding new South uranium plant	8 644	15 128	46 298
Repayment of loan and interest to Southvaal Holdings Limited	243	239	962
Surplus subject to royalty	71 186	87 351	355 613
Royalty to Southvaal Holdings Limited (55% of surplus)	39 152*	48 043	195 587
Capital expenditure	9 931	16 492	54 198
*Estimated.			
Afrikander Lease Area			
Gold—revenue	81	307	1 092
—costs	83	141	226
—profit (loss)	(2)	166	866
Uranium oxide loss	837	1 056	3 718
Loss	839	920	2 852
Royalty to The Afrikander Lease Limited	13	12	50
Capital expenditure	5 972	16 302	35 505

NOTE: Operations in the Afrikander Lease area resulted in a loss for the quarter and consequently provision has been made for a royalty equivalent to one quarter of the minimum annual royalty of R50 000. The royalty is only payable when the results of operations for the full year have been determined.

SHAFT SINKING (South Lease area)	Quarter ended Mar. 1981	Quarter ended Dec. 1980	Year ended Dec. 1980
No. 9 main shaft			
Advance—metres	98	190	727
Depth to date—metres	2 253	2 155	2 155
Station cutting—metres	175	194	1 123
No. 9 ventilation shaft			
Advance—metres	203	379	1 560
Depth to date—metres	1 803	1 600	1 600
Station cutting—metres	302	132	132

DEVELOPMENT

NORTH LEASE AREA

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Vaal reef							
SHAFT AREA							
No. 1	1 927	160	19.4	82.06	1 592	2.10	40.81
No. 2	6 989	496	76.2	34.83	2 654	0.62	47.13
No. 3	1 604	168	14.7	107.82	1 585	3.78	55.50
No. 4	3 446	410	14.7	50.00	735	1.81	26.58
No. 5	4 240	780	25.0	92.80	2 320	2.32	57.94
Quarter ended March 1981	18 206	2 014	34.2	57.31	1 960	1.38	47.33
Quarter ended December 1980	19 666	2 296	39.6	45.35	1 796	1.24	48.96
Year ended December 1980	85 213	7 808	39.9	44.11	1 760	1.18	47.08
V.C.R.							
SHAFT AREA NO. 6							
Quarter ended March 1981	11	—	—	—	—	—	—
Year ended December 1980	—	—	—	—	—	—	—
Area under tribute to and developed by Hartebeestfontein Gold Mining Company Limited (not included in totals)							
Vaal reef							
Quarter ended March 1981	1 185	292	97.1	17.00	1 651	0.37	36.34
Quarter ended December 1980	1 408	248	85.7	29.67	2 543	0.50	42.90
Year ended December 1980	4 161	496	100.4	20.15	2 023	0.40	40.32
SOUTH LEASE AREA							
Vaal reef							
SHAFT AREA							
No. 1*	1 360	146	25.5	76.04	1 939	2.34	59.61
No. 2*	181	56	154.2	7.59	1 171	0.30	45.65
No. 3*	1 872	128	13.2	45.98	607	1.67	22.10
No. 8	9 337	828	126.2	21.15	2 669	0.72	90.31
Quarter ended March 1981	12 750	1 158	102.3	22.26	2 277	0.75	76.74
Quarter ended December 1980	13 531	1 130	97.9	24.10	2 359	0.78	76.79
Year ended December 1980	54 866	4 940	93.7	28.98	2 715	0.78	73.16
'C' reef							
SHAFT AREA No. 8							
Quarter ended March 1981	46	—	—	—	—	—	—
Quarter ended December 1980	3	—	—	—	—	—	—
Totals							
Year ended December 1980	186	88	20.2	32.08	648	0.96	19.42
Area under tribute to and developed by Buffelsfontein Gold Mining Company Limited (not included in totals)							
Vaal reef							
Quarter ended March 1981	2 680	228	112.4	14.80	1 664	0.51	57.60
Quarter ended December 1980	3 381	249	124.3	17.07	2 122	0.65	81.02
Year ended December 1980	12 077	906	124.3	12.92	1 606	0.49	60.73

*Development carried out in South Lease area from North Lease area shafts.

AFRIKANDER LEASE AREA	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Dominion reef							
Quarter ended March 1981	1 940	346	68.6	1.56	107	0.91	62.35
Quarter ended December 1980	1 775	503	58.5	0.99	58	0.61	35.43
Year ended December 1980	3 947	982	57.2	0.78	45	0.52	29.86
Vaal reef Totals (excluding tribute areas)							
Quarter ended March 1981	30 956	3 172	59.1	35.13	2 076	0.98	58.07
Quarter ended December 1980	33 197	3 476	59.4	33.45	1 987	0.98	58.41
Year ended December 1980	140 079	12 748	60.8	35.03	2 130	0.94	57.19

DIVIDEND
The final dividend of 700 cents a share in respect of the year ended December 31 1980 was declared on January 22 1981, payable to members registered on February 6 1981 and was paid on March 13 1981.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at March 31 1981 totalled R40 659 000.

URANIUM OXIDE
The uranium oxide results for the quarter ended December 1980 were affected by changing the basis of stock valuation to the last in first out method. Previously the stock was valued at the average cost of production excluding the cost of mining. The effect of the changes was to reduce profit before tax by R2 198 000 and profit after tax by R700 000.

PRODUCTION FROM THE AFRIKANDER LEASE AREA
A proportion of the tonnage mined from the Afrikander Lease area was not treated in order to stockpile sufficient ore to commission the 50 000 tons per month uranium plant during the first half of 1982.

For and on behalf of the board
D. A. ETHEREDGE, W. R. LAWRIE — Directors

April 24 1981

SOUTHVAAL HOLDINGS LIMITED and THE AFRIKANDER LEASE LIMITED

The attention of shareholders of these companies is directed to the report of Vaal Reefs Exploration and Mining Company Limited.

ELANDSRAND

Elandsrand Gold Mining Company Limited

ISSUED CAPITAL: 75 484 238 shares of 20 cents each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	Year ended Dec. 1980
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	57	43	194
Tons milled 000's	266	210	985
Yield—g/t	4.07	4.68	5.33
Production—kg	1 079	983	5 250
Cost—R/m² mined	214.30	270.35	218.20
—R/ton milled	46.01	55.35	42.98
—R/kg produced	11 321	11 826	8 063
PRICE RECEIVED ON SALES			
Gold—R/kg	13 003	15 511	15 491
—$/oz	522	645	622
FINANCIAL RESULTS	R000	R000	R000
Gold—revenue	13 854	14 922	82 132
—costs	12 215	11 625	42 331
—profit	1 639	3 297	39 801
Net sundry expenditure	956	741	3 022
Profit	683	2 556	36 779
Capital expenditure	6 353	11 210	37 055
SHAFT SINKING			
Sub-Vertical Rock/Ventilation Shaft			
Advance (Headgear portion only)—metres	—	—	110
Depth to date—metres	120	120	120
Advance (below collar)—metres	6	25	30
Depth to date—metres	36	30	30

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t
V.C.R.					
Quarter ended March 1981	5 411	354	57.8	20.62	1 192
Quarter ended December 1980	5 656	512	35.1	20.83	731
Year ended December 1980	24 398	3 930	44.0	14.80	651

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at March 31 1981 totalled R3 040 000.

PRODUCTION
During March a milling rate in excess of 100 000 tons a month was achieved for the first time.

SUB-VERTICAL ROCK/VENTILATION SHAFT
At the annual general meeting held on April 21 1981, the chairman reported that the commissioning date of the sub-vertical rock/ventilation shaft was 1985 and not 1983 as incorrectly reported in the 1980 annual report.

PROPOSED RIGHTS OFFER OF SHARES
The attention of members is directed to an announcement published in the press on April 22 1981 reflecting details of a proposed rights offer of shares.
A circular giving details of the offer will be posted to members on May 1 1981.

For and on behalf of the board
D. A. ETHEREDGE, W. R. LAWRIE — Directors

April 24 1981.

ERGO

East Rand Gold and Uranium Company Limited

ISSUED CAPITAL: 40 000 000 shares of 50 cents each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	Year ended Mar. 1981
OPERATING RESULTS			
Slimes treated—tons	4 823 000	4 886 000	18 607 000
Production			
uranium oxide—kg	73 641	77 000	292 069
sulphuric acid—tons	110 081	102 262	429 607
oleum—tons	6 287	6 157	25 196
gold—kg	1 710	1 709	6 885
PRICE RECEIVED ON SALES			
Gold—R/kg	13 103	15 362	14 468
—$/oz	528	639	588
FINANCIAL RESULTS	R000	R000	R000
Revenue—Gold and silver	22 337	25 204	99 653
—uranium oxide and sulphuric acid	5 174	6 982	27 206
Total revenue	27 511	32 186	126 859
Cost of sales	8 572	8 270	34 365
Operating profit	18 939	23 916	92 494
Net sundry income	467	473	1 429
Profit	19 406	24 389	93 923
Deduct:			
Appropriation for capital expenditure			12 944
Dividend—interim			40 000
—final			40 000
Retained profit for the year			979
Capital expenditure	1 540	742	3839

DIVIDENDS

Details of the dividends declared in respect of the year ended March 31 1981 are as follows:

	Dividend No. 4 (Interim)	Dividend No. 5 (Final)
Declared	October 23 1980	April 23 1981
Per share	100 cents	100 cents
Payable to members registered	November 7 1980	May 8 1981
Payment date	December 12 1980	June 12 1981

Attention is drawn to the announcement relating to dividend No. 5, published in conjunction herewith.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at March 31 1981 totalled R1 308 000.

For and on behalf of the board
D. A. ETHERIDGE, W. R. LAWRIE — Directors

April 24 1981

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTE
DEVELOPMENT
Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

The Orange Free State Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries.

Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.

LONDON OFFICE: 40 HOLBORN VIADUCT, EC1P 1AJ

S.A. LAND

The South African Land & Exploration Company Limited

ISSUED CAPITAL: 6 600 000 shares of 35 cents each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	Year ended Dec. 1980
OPERATING RESULTS			
GOLD			
Tons milled 000's	358	346	1 336
Yield—g/t	1.16	0.97	1.11
Production—kg	416	335	1 486
Production cost—R/ton milled	3.68	4.46	3.95
—R/kg produced	3 163	4 603	3 537
PRICE RECEIVED ON SALES			
Gold—R/kg	12 924	15 224	15 438
—$/oz	521	633	618
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	5 328	4 888	23 030
—Production costs	1 316	1 542	5 257
	4 012	3 346	17 773
Less delivered cost of dump material	2 360	2 326	11 081
Gold profit	1 652	1 020	6 692
Sale of salvaged equipment and scrap	4	4	28
Net sundry revenue	167	183	675
Profit before taxation	1 823	1 207	7 395
Taxation—estimated	835	(575)	2 114
Profit after taxation	988	1 782	5 281
Deduct:			
Appropriation for capital expenditure			1 654
Dividend—interim			2 310
—final			1 320
Transfer from reserve			(3)
Feasibility study	92	135	773
Prospecting expenditure—Withok area	—	1	66
Kimberley Reef prospecting	1	47	47
Capital expenditure	41	1 648	1 654

FEASIBILITY STUDY
The feasibility study of resuming mining operations using the old Van Dyk No. 5 shaft has been completed. However, as stated in the 1980 annual report it is considered necessary that a comprehensive underground sampling programme be undertaken in the area served by that shaft to provide additional information to enable the potential for the establishment of a full-scale mining operation to be evaluated.

PROPOSED RIGHTS OFFER OF SHARES
The attention of members is directed to an announcement published in the press on April 22 1981 reflecting details of a proposed rights offer of shares to raise funds primarily to finance the cost of the underground sampling programme referred to above.
A circular giving details of the offer will be posted to members on May 1 1981.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at March 31 1981 totalled R109 000.

DIVIDENDS
The final dividend of 20 cents a share in respect of the year ended December 31 1980 was declared on January 22 1981, payable to members registered on February 6 1981 and was paid on March 13 1981.

For and on behalf of the board
W. R. LAWRIE, G. LANGTON — Directors

April 24 1981

WESTERN DEEP LEVELS

Western Deep Levels Limited

ISSUED CAPITAL: 25 000 000 shares of R2 each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	Year ended Dec. 1980
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	169	184	778
Tons milled 000's	728	800	3 329
Yield—g/t	13.14	13.37	13.70
Production—kg	9 568	10 693	45 621
Cost—R/m² mined	245.89	215.38	188.89
—R/Ton milled	57.15	49.66	44.17
—R/kg produced	4 348	3 715	3 223
URANIUM OXIDE			
Tons treated 000's	530	550	1 629
Yield—kg/t	0.09	0.10	0.13
Production—kg	49 914	55 460	212 562
PRICE RECEIVED ON SALES			
Gold—R/kg	12 861	15 730	15 901
—$/oz	521	652	633
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	121 388	172 510	729 921
—costs	41 603	39 725	147 036
—profit	79 785	132 785	582 885
Uranium oxide profit (loss)	1 476	(520)	3 501
Net sundry income	2 174	4 137	12 951
Profit before taxation and State's share of profit	83 435	136 402	599 337
Provision for taxation and State's share of profit	39 822	63 356	328 303
Profit after taxation and State's share of profit	43 613	73 046	271 034
Deduct:			
Appropriation for capital expenditure			68 129
*Provision for dividend on 'C' ordinary shares			2 200
Dividend—interim			100 000
—final			100 000
Retained profit for the year			705
Capital expenditure	15 744	37 015	71 936
SHAFT SINKING (pre-sinking)			
No. 1 main shaft			
Advance—metres	14	14	14
Depth to date—metres	28	14	14
No. 1 service shaft			
Advance—metres	6	26	26
Depth to date—metres	32	26	26

* The provision is in respect of the accrual of dividends, payment of which will be effected when the 'C' ordinary shares are issued in terms of arrangements outlined in the circular to members dated August 21, 1980.

DEVELOPMENT

	Advance metres	Sampled metres	channel width cm	gold g/t	gold cm.g/t	uranium kg/t	uranium cm.kg/t
Carbon Leader							
Shaft area							
No. 2	3 932	86	17.1	101.93	1 743	1.32	22.54
No. 3	4 198	92	25.1	172.59	4 332	1.47	36.84
Quarter ended March 1981	8 130	188	21.0	143.33	3 010	1.41	29.54
Quarter ended December 1980	8 253	66	28.2	312.84	8 822	1.77	50.02
Year ended December 1980	33 719	358	39.1	145.04	5 671	1.61	62.97
V.C.R.							
Shaft area							
No. 2	2 427	12	22.2	108.06	2 399	—	—
No. 3	1 059	26	11.3	0.71	8	—	—
Quarter ended March 1981	3 486	38	14.7	51.90	763	—	—
Quarter ended December 1980	3 333	70	23.9	35.98	860	—	—
Year ended December 1980	12 898	436	43.6	29.75	1 297	—	—

DIVIDENDS
The final dividend of 400 cents a share in respect of the year ended December 31 1980 was declared on January 22 1981 payable to members registered on February 6 1981 and was paid on March 13 1981.

CAPITAL EXPENDITURE COMMITMENTS
Orders placed and outstanding on capital contracts as at March 31 1981 totalled R62 237 000.

PRODUCTION
During January and February refrigeration plant breakdowns due to condenser tube corrosion caused reduced production from two of the higher grade Carbon Leader longwalls at No. 3 Shaft. Normal results were achieved in March.

URANIUM OXIDE
The uranium oxide results for the quarter ended December 1980 were affected by changing the basis of stock valuation to the last in first out method. Previously the stock was valued at the average cost of production excluding the cost of mining. The effect of the change was to reduce profit before tax by R1 127 000 and profit after tax by R354 000.

For and on behalf of the board
G. LANGTON, W. R. LAWRIE — Directors

April 24 1981.

EAST DAGGAFONTEIN

East Daggafontein Mines Limited

ISSUED CAPITAL: 3 730 000 shares of R1 each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	Year ended Dec. 1980
FINANCIAL RESULTS	R000	R000	R000
Royalties	104	486	1 097
Sundry revenue	35	18	44
Sale of Capital items	—	—	4
	139	504	1 146
Deduct:			
Costs	48	79	194
Surplus before taxation	91	425	951
Taxation—estimated	31	228	516
Surplus after taxation	60	197	435

DIVIDEND
The dividend of 15 cents a share, in respect of the year ended December 31 1980 was declared on January 22 1981, payable to members registered on February 6 1981, and was paid on March 13 1981.

For and on behalf of the board
W. R. LAWRIE, G. LANGTON — Directors

April 24 1981

UK NEWS

London 'lame duck' warning

BY GARETH GRIFFITHS

LONDON WILL become a lame duck of a size never before seen in Birtain — unless local and central government change their policies, the London Chamber of Commerce and Industry warned yesterday.

Mr. Tommy Macpherson, the chamber's chairman, said London's position would be far worse than that suffered by New York a few years ago.

The implications for the rest of the country were serious as London played a more vital role in the British economy than New York did in America's. The capital had suffered from an exodus of jobs and people during the past 20 years.

The chamber, launching a manifesto for business in London, called for a fundamental long-term reform of local government finance.

It said a recent survey of members suggested that 40 per cent of companies were considering leaving the capital as a direct consequence of rate increases.

London authorities receive a higher percentage of their income from business than councils in other parts of the country.

An interim solution, the manifesto argues, would be a set limit on both the percentage of rates levied from industry and commerce each year and on annual rate increases.

The chamber opposes a mass transfer of rates from business to domestic payers but says domestic rates should be based on capital instead of notional rental values.

Mr. Macpherson said that because London was an area with high rateable values it had been discriminated against when is came to Government funding grants to local authorities. The capital was subsidising the rest of the country by between £200m and £400m a year.

He wanted London's 92 MPs to act as a lobby group to persuade the Government to concentrate more on London's problems.

A second London enterprise zone should be set up in Wandsworth and a more flexible attitude adopted by planning authorities to encourage small cheap premises.

The chamber, which is celebrating its centenary, says it does not want London's businessmen to have preferential treatment and opposes the restoration of business votes. But there was a need for business to be represented in the decision making process.

Printing industry trying to improve reputation

BY ALAN PIKE

THE BRITISH printing industry yesterday launched a campaign to improve its image and rid itself of the reputation of Fleet Street.

Members of the National Economic Development Council printing industries sector working party are worried that highly publicised industrial relations problems in the national newspaper industry reflect unfairly on general printing. To redress the position the working party yesterday began a drive to explain the positive side of British printing to customers.

Information packs explain, for example, that the industry has introduced extensive new technology which has helped to keep its price rises below the level of inflation, and that time lost through disputes is far below the national average.

Mr. Joe Hinde, chairman of the sector working party, said that in spite of the difficulties which the printing industry had to overcome, he detected a heartening change of attitudes. Printing was a tradition-bound industry, but the only way forward, in the interests of survival, was for unions and managements to give up some of the rights for which they had fought.

Mr. Bill Keys, chairman of the TUC printing industries committee, said that unless unions and employers could together secure the future of the industry there would be nothing left for them to argue about. Productivity in printing had advanced more than in most industrial sectors but there was still more to be done.

The industry faces severe overseas competition. Book and catalogue printers have been most affected.

Whitelaw warns of strained tolerance

RIOTS in London over the past two weeks had strained the traditional tolerance of the British people, Mr. William Whitelaw, the Home Secretary, warned last night.

An attack on the police was an attack on the community and there could be no excuse or justification for it.

Speaking at a St. George's Day banquet, he said: "There is no English value which we should defend more vigorously than this tradition of tolerance. Its importance is perhaps more obvious now than ever before.

"How greatly many of you must have felt it strained as you watched so many disgraceful scenes of riot and violence against the police over the last fortnight or so.

"Let me say that our tolerance as a society stops far short of such behaviour and those who throw bricks and stones, acid and bombs damage their own interests because they affront the most basic instincts of the English people.

"I urge those who may not realise this—or who may have been persuaded by those who wish to subvert our society that this violent action will help them—to hold back, to reflect and to try to understand that it is only through a path of mutual tolerance and understanding that progress can be made."

Mr. Whitelaw said the police were supported only by the trust of the rest of the community.

"In that sense," he went on, "an attack on them as they perform their proper duties is an attack on the community as a whole. And there can be no excuse, no justification for it.

"Once we justify violence of this type we take the first step on the road to the destruction of a stable and civilised society."

Action urged on textile imports

THE GOVERNMENT was urged yesterday to follow the French example in tackling the problem of continued rising imports.

The news bulletin of the Wool Textile and Clothing Industry Action Committee, formed in Yorkshire to fight for the survival of those industries in this country, said the French Government had acted with "typical Gallic forwardness."

Faced with unfair competitive practices and low price competition from within the Community, the French were reinforcing Customs surveillance of textile imports as part of a series of initiatives including stricter action on fraudulent origin labelling.

Separate bilateral textile trade agreements were to be negotiated to limit imports of sensitive products from some countries. There was a scheme to encourage investment in plant and equipment.

The bulletin suggested the French approach was in stark contrast to the British Government's cut back on Customs staff at ports. It urged stronger import surveillance and a new aid scheme for the industry.

Trust gives SDP £30,000

THE SOCIAL Democratic Party is to be given £30,000 during the next three years by the Rowntree Social Service Trust.

Lord Chitnis, the trust's chief executive, said yesterday that the money would be used to support the party's MPs in Parliament and not for its national organisation.

The SDP would not have received support from the trust if it had qualified for State backing with the other opposition parties, he said.

Farming strategy criticised

FINANCIAL TIMES REPORTER

MR. PETER WALKER, the Agriculture Minister was praised yesterday for his efforts to help British farmers, but the Government's overall strategy was criticised by Mr. Dick Filbey, president of the Agricultural Engineers Association.

He told the association's annual luncheon that: "The strength of the exchange rate has helped decimate agricultural machinery exports—the effect on volumes of tractor exports has been less only because manufacturers have fallen back on low pricing policies in order to maintain volumes."

Mr. Filbey said the Budget was a disappointment, interest rates had been too high too long, and many inflationary factors were Government promoted.

The Agricultural Engineering Industry exports 70 per cent of its total production, contributing more than £595m a year to the balance of payments.

Unemployment doubles in West Midlands

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ADULT UNEMPLOYMENT in the West Midlands has more than doubled over the past year. This follows the wave of *redundancies in manufacturing* industry heavily concentrated in the region.

The latest figures highlight the particular problems of the region, which previously enjoyed below the national average rate of unemployment.

In the UK as a whole adult unemployment rose by 61.4 per cent in the year to mid-April. Apart from the 101.4 per cent increase in the West Midlands there have been above average rises in the East Midlands (up *81.3* per cent), the south-east (up 85 per cent). East Anglia (up 79 per cent) and Yorkshire and Humberside (up nearly 60 per cent).

There has therefore been a narrowing of regional differences in the last year or so, as in the mid-1970s recession.

The increases have been below average in areas of traditionally high unemployment in the north and west of the UK.

In Northern Ireland the increase was 45.5 per cent in the year to mid-April with a rise of just under 42 per cent in Scotland and 45 per cent in the north of England.

The absolute levels of unemployment still remain well above average in these regions, with at least one in eight of the adult workforce jobless in most parts of northern England, Scotland and Wales. One in six are unemployed in Northern Ireland.

Male unemployment rose by 74.5 per cent in the year to mid-April while female unemployment increased by 53.4 per cent.

The percentage of the female labour force registered as unemployed remains much less than for men — at 6.9 per cent against 12.4 per cent. This may reflect both the sharper squeeze on manufacturing industry — with a heavy concentration of men — than on other sectors and the tendency for some women who lose their jobs not to register as unemployed.

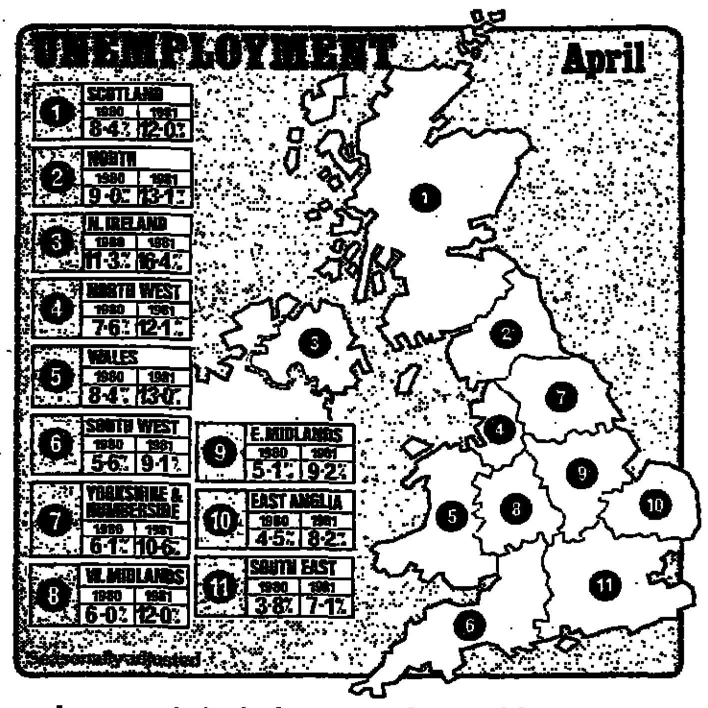
● ABOUT 3m people will be unemployed by the end of the year, said Sir Terence Beckett, the director-general of the Confederation of British Industry yesterday.

While an upturn in the economy might start then, Britain would still have to improve competitiveness.

Speaking in Glasgow where he discussed with Scottish industrialists the CBI's strategy document, The Will to Win, he said of the recession: "I hope we can start to get an upturn by the end of the year. We are going to have a difficult time in world and UK markets. The number one priority is that we must improve our competitiveness."

Britain needed more "sunrise" industries—new industries like micro-electronics, microbiology, and energy conservation, with high growth and profit potential.

This had already happened to some extent in Scotland which had 40 per cent of Europe's micro-chip industry and a bigger concentration of micro-electronics than anywhere else in the world outside California.



Camps 'may have to cope with prison overflow'

By Gareth Griffiths

IF THE number of people in prison in England and Wales continues to grow at the present rate, camps might have to be set up this autumn to deal with the overflow.

This is the view of Miss Vivien Stern, the director of the National Association for the Care and Resettlement of Offenders, speaking in London yesterday

The association says that an accommodation crisis last autumn was only averted by the prison officers' dispute which cut down the number of admissions.

During the dispute, which ended in January, there were 39,500 people in prison in England and Wales. On April 10 there were 43,800.

While in 1975 the highest total of prisoners living two or three *to a cell was 15,640*, in 1980 the figure was 17,787, the association said. The prisons had normal accommodation for 39,052 prisoners but had to house 42,852.

The Home Office meanwhile plans to build two new prisons a year between now and 1985.

£2m to be spent on paint system launch

BY JAMES McDONALD

A PAINTING system called Paintmate is to be launched in June by Berger Paints and Black and Decker with a £2m advertising campaign aimed at capturing more of Britain's £300m-a-year Do-It-Yourself paint market.

The system includes a range of paints developed by Berger—part of the German Hoechst chemicals group—and a new way of applying them, evolved by Black and Decker. It is claimed to be a quicker, cleaner and easier way to paint.

A non-spill paint tub is put into an application machine. The machine lid, when fitted, pierces the paint tub and the paint is then *fed by tube to* the painting head—a roller, paint pad or brush.

The machine is powered by a standard soda syphon bulb which, it is claimed, provides enough power to apply up to two litres of paint. A push button on the handle controls the flow of paint.

The probable retail price for the Paintmate kit—machine, roller or pad kits, brush, bulbs and tap adaptor for cleaning—will be between £19 and £20. The retail price

of the paint is expected to be slightly higher than traditional top-quality conventional paints.

Oriental manuscripts fetch £217,022

By Antony Thorncroft

A SALE of Islamic and Indian manuscripts and miniatures made 0?2 at Christie's yesterday. Eskenazi paid £28,000, plus the 11.5 per cent premium and VAT for a miniature of Prince Salim Surprised by a Lion, a Mughal work of about 1600.

A tugra and firman of *Suleiman the Magnificent dated* 1521 easily beat its estimate at £22,000. Eyre and Hobbouse paid £13,000 for a 1673 portrait of a European youth by Mu'in.

In the afternoon sale of Oriental textiles, rugs and carpets Sheikh, a London dealer, bought a part-silk Isfahan Serafian carpet for £15,000.

A George II oval cake basket made Anne Tanquery in 1732 sold for £13,000, treble its forecast, plus premium and VAT to the London dealer Lumley at *Sotheby's silver sale, totalling* £252,945 with 11 per cent bought in Koopman bought a pair of George III three-light candelabra made by Richard Cooke in 1799, for £9,500. Twelve William IV dinner plates by Paul Storr, 1833, made £8,000.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1979							
3rd qtr.	112.7	103.2	101	106.6	149.6	1,269	247
4th qtr.	112.6	104.2	101	109.1	185.9	1,286	230
1980							
1st qtr.	109.9	100.1	100	110.2	158.6	1,379	193
2nd qtr.	106.6	96.8	97	109.2	164.3	1,498	159
3rd qtr.	102.9	93.2	84	108.9	170.3	1,699	120
4th qtr.	100.4	89.1	79	109.0	205.2	2,020	98
June	106.6	96.3	107	109.5	167.1	1,542	145
July	105.1	95.2	87	108.5	172.8	1,609	128
Aug.	102.5	93.0	92	109.6	157.6	1,697	120
Sept.	101.2	91.4	73	108.5	170.4	1,791	111
Oct.	100.9	90.3	75	109.7	179.1	1,893	100
Nov.	100.7	89.4	84	109.2	192.8	2,030	96
Dec.	99.7	87.8	78	108.4	236.0	2,137	99
1981							
Jan.	98.3	87.1		114.0	177.6	2,228	104
Feb.	99.1	87.9		112.9	170.1	2,304	98
March				111.5		2,381	97

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer *goods*	Invst. *goods*	Intmd. *goods*	Eng. *output*	Metal *mnfg.*	Textile *etc.*	Housg. *starts**
1979							
3rd qtr.	105.5	96.4	132.4	95.0	105.1	100.2	21.0
4th qtr.	105.3	101.1	129.6	99.1	103.4	96.4	19.7
1980							
1st qtr.	104.4	101.0	123.5	98.8	56.4	92.2	13.3
2nd qtr.	98.1	96.2	123.2	93.1	93.9	85.6	15.3
3rd qtr.	96.9	95.0	117.1	91.2	78.1	82.6	12.5
4th qtr.	94.0	90.1	116.7	85.4	70.3	76.4	10.1
May	97.0	96.0	124.0	93.0	99.0	84.0	16.7
June	98.0	95.0	124.0	93.0	94.0	85.0	16.4
July	99.0	96.0	121.0	93.0	81.0	85.0	13.6
Aug.	97.0	95.0	116.0	91.0	80.0	85.0	10.8
Sept.	95.0	94.0	114.0	89.0	73.0	78.0	13.0
Oct.	95.0	92.0	116.0	87.0	67.0	76.0	11.9
Nov.	94.0	90.0	118.0	85.0	74.0	78.0	11.2
Dec.	93.0	88.0	117.0	83.0	70.0	75.0	7.1
1981							
Jan.	93.0	86.0	115.0	82.0	70.0	77.0	10.5
Feb.	94.0	84.0	118.0	81.0	78.0	78.0	11.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
3rd qtr.	129.9	132.5	−762	−210	−172	106.5	23.18
4th qtr.	129.8	132.6	−775	−579	−152	103.5	22.54
1980							
1st qtr.	133.0	126.9	−388	+ 54	− 95	101.0	24.87
2nd qtr.	126.2	126.2	−320	− 88	− 11	103.4	28.15
3rd qtr.	125.1	118.7	+616	+870	−157	105.5	28.08
4th qtr.	126.5	111.8	+1,269	+1,885	+222	105.6	27.90
June	128.9	124.2	+ 15	+ 81	− 23	103.8	28.17
July	128.6	117.1	+303	+403	+ 98	104.3	28.27
Aug.	123.8	120.5	− 29	+ 72	+ 23	106.0	28.29
Sept.	121.9	114.8	+344	+429	+ 39	105.3	27.64
Oct.	124.5	106.3	+506	+711	+133	105.2	28.03
Nov.	129.4	114.6	+410	+615	+ 54	105.6	28.19
Dec.	125.7	114.5	+353	+559	+ 35	105.1	27.48
1981							
1st qtr.							28.34
Jan.	123.9	101.3	+742	+1,042	+210	106.4	28.39
Feb.	121.7	114.3	+314	+614	+231	105.1	28.43
March							28.21

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS *inflow*	HP *lending*	MLR %
1979							
3rd qtr.	12.0	11.2	13.2	+3,642	933	1,875	14
4th qtr.	14.4	15.6	22.6	+2,977	839	1,959	14
1980							
1st qtr.	− 4.0	7.2	21.9	+1,725	634	2,049	17
2nd qtr.	− 1.5	10.7	23.3	+3,317	697	1,964	17
3rd qtr.	12.9	39.0	45.2	+6,889	1,090	1,933	16
4th qtr.	6.5	20.7	11.2	+3,494	1,253	1,790	15
June	− 4.9	13.7	28.8	+1,403	206	675	17
July	9.5	36.5	50.8	+3,718	340	663	16
Aug.	11.2	40.8	46.4	+2,139	307	613	16
Sept.	17.5	39.5	38.7	+1,032	443	657	16
Oct.	3.9	23.5	19.3	+1,164	520	629	16
Nov.	6.4	19.3	7.7	+1,446	285	558	14
Dec.	9.3	19.5	7.0	+ 884	448	603	14
1981							
1st qtr.	10.2	10.2	12.4	+2,091	1,081		
Jan.	7.8	13.0	10.1	+ 622	446	618	14
Feb.	13.0	8.6	12.8	+ 577	366	636	14
March	9.9	9.2	14.4	+ 892	269		12

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and *fuels, wholesale* prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	91.3
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	88.5
1980							
1st qtr.	167.7	197.2	191.4	248.8	247.5	284.47	93.0
2nd qtr.	178.9	201.3	199.0	263.2	255.9	267.45	94.5
3rd qtr.	188.4	201.9	203.6	268.9	259.3	275.13	96.7
4th qtr.	193.3	203.3	206.1	273.9	260.7	269.25	100.2
June	183.7	201.1	201.0	265.7	275.9	267.45	94.5
July	185.1	201.7	202.7	267.9	259.9	273.57	95.6
Aug.	186.5	201.8	203.5	268.5	259.0	275.38	96.8
Sept.	193.6	202.1	204.6	270.2	259.0	276.44	97.6
Oct.	189.9	201.4	205.3	271.9	259.3	274.65	99.2
Nov.	192.6	203.4	206.2	274.1	260.0	270.56	101.1
Dec.	197.3	205.1	206.7	275.6	262.7	262.53	100.2
1981							
1st qtr.		213.7	212.2			257.79	101.4
Jan.	193.6	209.7	209.9	277.3	266.7	251.88	102.0
Feb.		214.0	212.0	279.8	268.9	259.93	102.6
March		217.4	214.8	284.0	270.6	261.56	99.7

* Not seasonally adjusted.

Labour leaders predict more Brixton style riots

BY CHRISTIAN TYLER, LABOUR EDITOR

THE UNEMPLOYMENT total, of over 2.5m, was condemned by Labour leaders yesterday as evidence that the Government is pursuing a policy of industrial vandalism.

They said that there could be more riots like those in Brixton two weeks ago as the official jobless total continues to climb towards 3m.

The April total of 2.52m including school-leavers will provide new ammunition for the organisers of a 250-mile march of the unemployed due to set off from Liverpool on May 1 and stopping at many provincial centres for demonstrations en route to London.

The march, which will average only 10 miles a day, is likely to prove the most effective in publicity terms of union-organised political protests to date.

The CBI, which is also predicting a 3m unadjusted total by the end of the year, described the latest increase as a matter of both regret and concern.

Mr. Len Murray, TUC general secretary, said it set another dismal and depressing post-war record. He said the May Day march would provide yet another compelling call for compassion.

Many union leaders heard the news at the Scottish Trades Union Congress in Rothesay. Mr. David Basnett, general secretary of the General and Municipal Workers' Union and chairman of the TUC's economic committee, predicted more riots, saying that high unemployment had been the root cause of the Brixton violence.

He said: "Mrs. Thatcher's policies are now tearing at the fabric of our society, destroying our industrial base and dividing our nation."

For the Opposition, Mr. Eric Varley, employment spokesman, said the Government had given up all hope of reducing unemployment before the end of the present Parliament.

Mr. Clive Jenkins, of the white-collar union ASTMS, said there would be 5m out of work by then. He said the Government was creating a politically unmanageable situation.

Mr. Michael McGahey, Communist president of the Scottish miners, said it was time to get the ballot boxes out for an early general election, and Mr. Ken Gill of the white-collar section of the Engineering Union, also a Communist, said the real unemployment total was already well over 3.5m.

Midland suspends 9 workers

By Nick Garnett, Labour Staff

MIDLAND BANK suspended without pay yesterday nine staff at one of its branches in Oxford Street, London, for what it said was a failure to work normally.

The staff had taken part in industrial action by the Banking, Insurance and Finance Union over pay.

Mr. Hedley Woods, the union's assistant secretary, said the staff had been working strictly to the branch book-keeping manual. The bank was victimising them.

The union would picket the branch today with the intention of closing it, he said.

The bank said 17 staff at the branch had been warned for refusing to work normally. The nine, however, continued their action and the management had no option but to suspend them for the rest of the day. Long queues had developed and customers were being inconvenienced.

The other four clearing banks said yesterday they had not suspended any staff.

Meanwhile, a separate ballot among technical and services staff at Lloyds Bank's Sampson House computer centre in London has gone in favour of joining the dispute.

The banks said 6,540 BIFU members took part in Wednesday's selective, one-day strikes a figure disputed by the union.

Ford seeks plant efficiency

Nick Garnett examines management plans to boost productivity and persuade the work force to live up to existing agreements.

FORD UNIONS met yesterday to discuss their initial response to the company's plans for changes in productivity which will be put forward by management today.

The company's drive for improved efficiency is being made on two fronts. One is contained in a three-page document "The company's AJ (after Japan) proposals for productivity improvement." This contains 12 headings related to real changes in working methods.

The second is included in a document on outstanding items on manufacturing efficiency and relates to what the company says is a failure to meet requirements of existing agreements.

In this 42-page document, the company says in some areas there has been considerable union co-operation over improvements but failure to do so in many crucial operations.

This document takes the issues plant by plant and includes:

Halewood. The document says there has been resistance to work standards, mainly in the direct manufacturing areas, although management agrees that this was inevitable because of the new Escort model. "This has led to numerous examples of employees deliberately withholding effort in order to attempt to establish a lower than normal standard."

Resistance to cutting overmanning has been most marked in the body plant, the company says. This problem is linked to work standards.

On demarcation, it says that among semi-skilled workers "demarcation issues have become more prevalent in indirect areas" as a reaction to manning reductions.

Resistance to labour mobility has included the refusal of three-shift employees to cover for absenteeism in two-shift areas and vice versa; usually confining mobility in the assembly plant to the first hour of the shift, and a general inability to close down a less essential job to cover an absentee in an essential job.

The company cites resistance to organisation changes, problems with varying lunch and tea breaks and unnecessary overtime.

The company reports progress on some of these issues. But in the Halewood transmission plant it says there is a general resistance to the concept of work standards and there has been little response over problems of job mobility and demarcation in plant engineering.

Dagenham. In the assembly plant the company says there has been recent progress on previous unwillingness to support a preventative maintenance system and on smaller issues such as an earlier refusal of paint sprayers to be trained by staff instructors.

The document says an agreement needs to be ended which allows tradesmen in plant engineering a 10-hour sleep period between the end of the Friday lateshift and the start of Saturday overtime.

Management complains of an excess of operators, normally of two to four men in various assembly areas, although the unions have co-operated in removing some of these jobs.

In the body plant, the company says agreement has been reached on conducting a work study which employees had earlier resisted.

At **Southampton,** management complains that paint sprayers are given an extra 15 minutes for lunchtime changing. It says the production line has to be halted for 15 minutes more than the normal half-hour lunch break, but the sprayers will not stagger meal breaks to avoid this.

At the **Basildon** tractor plant, unresolved issues include the failure of tradesmen to provide a written work status report at the end of their shift, and difficulties in removing demarcation on pipework, welding and vehicle repair.

Under the AJ and general efficiency programmes, the company says the key elements are: reduced inventories; more automation, increased equipment utilisation; quality circles; management restructuring; improved manning flexibility and first time quality control; reduced manning levels; working to standards; and dramatically different work practices.

Proposed new changes are listed by Ford as: production employees to seek and repair faults without the assistance of quality control personnel; production workers to certify their own work and do simple maintenance functions; skilled employees to be fully flexible; production workers to clean and lubricate their own equipment; move stock using mechanical aids; skilled employees to be mobile between machines in toolrooms, higher flexibility among production control employees; production workers to keep their areas clean and assist in line feed; workers to accept use of outside services and supplies where this is more economical.

Ballot money: unions may drop expulsion plans

BY JOHN LLOYD, LABOUR CORRESPONDENT

SIGNS THAT the trade union movement may not insist on expulsion from the TUC of any member using Government money to fund a ballot under the 1980 Employment Act, emerged yesterday at the Scottish Trades Union Congress in Rothesay.

A motion from the Tobacco Workers' Union calling for such action against any union which "used any provision of the *Government's Employment Bill*" was remitted to the General Council.

Mr. Donald McGregor, the Scottish organiser for the General and Municipal Workers' Union and a general council member, said: "At the end of the day we may not even have difficulties."

The issue is likely to be posed sharply in two weeks' time, when the executive of the Amalgamated Union of Engineering Workers asks its policy-making national committee to approve the principle of using ballot money.

It is generally expected that the committee will approve.

Senior union officials do not now believe that the AUEW will be expelled from the TUC if it takes the money. Nevertheless, there will be strong pressure within the General Council, and elsewhere in the Labour movement in favour of expulsion.

Bristol dockers end campaign

By Our Labour Staff

A MEETING of more than 1,000 Bristol dockers agreed yesterday to suspend their campaign of lightning strikes and allow their disputed pay claim to go to arbitration.

The municipally owned port changed its original 7.5 per cent offer earlier this week to allow a maximum 11.4 per cent basic rise to dockers seeking to narrow the gap from non-registered dock staff.

The new offer was said to be no more than 7.5 per cent on the wage bill.

The men's suspension of action follows a decision by the city council to call in financial analysts on the docks' future.

● Port employers in Liverpool yesterday expected to reach a target of 1,250 redundancies by next Thursday.

Ambulance vote

THE 240 DELEGATES of ambulance workers in the South Wales region of the General and Municipal Workers' Union voted unanimously in Cardiff yesterday to reject the national 6 per cent offer. Mr. David Plant, regional officer, said they would support a national strike "if necessary."

Two print unions near merger

BY CHRISTIAN TYLER, LABOUR EDITOR

AN IMPORTANT step towards the creation of a single union for the printing industry has been made with a public declaration by the two main non-craft unions that they hope to merge by the end of the year.

Mr. Bill Keys, general secretary o fthe Society of Graphical and Allied Trades and Mr. Owen O'Brien, general secretary of the National Society of Operative Printers, Graphical and Media Personnel, issued a joint statement saying agreement had been reached in "almost all the key areas."

Parallel merger discussions between the main print craft unions, the National Graphical Association and the smaller process workers union (SLADE), are at an advanced stage.

Union leaders hope eventually to combine the two mergers. Meanwhile the National Union of Journalists is discussing a merger with the NGA under the twin pressures of financial difficulties and the introduction of new technology.

Ansells issues strike ultimatum

THE MANAGEMENT of Ansells Brewery yesterday issued an ultimatum to striking workers who have crippled its two Birmingham distribution depots following a dispute over the closure of its Aston Cross brewery in the city.

They were warned that unless they return to work by the end of the month 300 more jobs will be permanently lost

هكذا من الأصل

Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa

Orange Free State

Reports of the directors for the quarter ended March 31 1981.

FREE STATE GEDULD

Free State Geduld Mines Limited

ISSUED CAPITAL: 10 440 000 shares of 50 cents each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	6 months ended Mar. 1981
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	328	144	272
Tons milled 000's	706	746	1 452
Yield—g/t	9.71	9.50	9.60
Production—kg	6 857	7 085	13 942
Cost—R/m² mined	256.18	220.57	237.27
—R/ton milled	46.25	42.69	44.42
—R/kg produced	4 761	4 494	4 626
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	634	592	1 226
Head grade:			
gold—g/t	0.48	0.46	0.47
uranium—kg/t	0.09	0.09	0.09
sulphur—per cent	0.98	0.92	0.95
PRICE RECEIVED ON SALES			
Gold—R/kg	13 102	15 294	14 399
—$/oz	529	636	592
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	91 768	109 148	200 916
—Costs	32 650	31 844	64 494
—Profit	59 118	77 304	136 422
Joint Metallurgical Scheme profit	1 266	1 553	2 819
Net sundry income	2 632	2 424	5 056
Profit before taxation and State's share of profit	63 016	81 281	144 297
Provision for taxation and State's share of profit	25 354	36 319	61 673
Profit after taxation and State's share of profit	37 662	44 962	82 624
Deduct:			
Appropriation for capital expenditure			41 642
Dividend—interim			38 106
Retained profit for the six months			2 876
Capital expenditure:	20 833	20 574	41 407
Tonnage milled and treated for Welkom Gold Mine on a cost plus service charge basis	38 100	65 700	103 800
SHAFT SINKING	metres	metres	metres
No 5 main shaft			
Advance	60.7	33 3	94.0
Final Depth	1 831.8	1 771.1	1 831.8
Station cutting	159.3	625.9	785.2
Sinking in the main shaft has been completed and equipping of the shaft has commenced.			
No. 5 ventilation shaft			
Advance	—	—	—
Final Depth	1 776.1	1 776.1	1 776.1
Station cutting	—	—	—

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	2 538	156	26.5	44.75	1 186	0.22	5.76
No. 2	2 542	240	16.0	72.31	1 157	0.71	11.41
No. 5	3 746	216	39.0	15.79	616	0.28	11.02
No. 4	623	76	37.0	179.08	6 626	0.56	20.57
No. 7	2 524	130	41.4	14.52	601	0.37	15.28
No. 9	2 428	188	12.3	84.07	1 034	1.58	19.45
Philippi No. 414 tribute area	65	—	—	—	—	—	—
Quarter ended March 1981	14 466	1 006	26.7	51.09	1 364	0.49	13.14
Quarter ended December 1980	16 995	1 428	21.9	52.88	1 158	0.57	12.46
Six months ended March 1981	31 461	2 434	23.9	52.01	1 243	0.53	12.74
Leader reef							
No. 1	102	144	112.3	3.42	384	0.14	16.01
No. 2	139	104	286.3	1.86	533	0.11	32.73
No. 4	1 190	636	112.8	2.70	304	0.07	7.42
No. 5	—	116	27.4	8.47	232	0.20	5.51
No. 9	—	6	83.7	5.03	421	0.10	8.73
Quarter ended March 1981	1 511	1 006	120.6	2.74	331	0.09	11.05
Quarter ended December 1980	1 468	716	156.3	2.64	412	0.09	14.20
Six months ended March 1981	2 979	1 722	135.5	2.69	365	0.09	12.36
Kimberley reef							
No. 7	279	208	181.2	6.88	1 247	0.05	9.96
No. 9	218	—	—	—	—	—	—
Quarter ended March 1981	497	208	181.2	6.88	1 247	0.05	9.96
Quarter ended December 1980	473	250	201.9	0.71	143	0.03	6.64
Six months ended March 1981	970	458	192.5	3.35	644	0.04	8.15
Shaft area							
Elsburg reef							
No. 4							
Quarter ended March 1981	8	8	110.6	1.53	168	0.01	1.15
Quarter ended December 1980	73	48	193.3	0.57	111	0.02	3.35
Six months ended March 1981	81	56	181.4	0.66	119	0.02	3.04
Area under tribute from Western Holdings							
Basal reef							
Quarter ended March 1981	47	22	225.5	1.35	304	0.01	2.69
Quarter ended December 1980	47	42	221.9	1.80	399	0.02	3.47
Six months ended March 1981	94	64	223.1	1.64	366	0.01	3.20
Leader reef							
Quarter ended March 1981	41	40	170.2	1.46	249	0.04	6.13
Quarter ended December 1980	73	66	208.9	1.64	342	0.03	5.71
Six months ended March 1981	114	106	194.3	1.58	307	0.03	5.87

DIVIDEND

The interim dividend of 365 cents a share in respect of the year ending September 30 1981 was declared on April 23 1981 payable to members registered on May 8 1981 and will be paid on or about June 12 1981.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at March 31 1981 totalled R19 658 000.

For and on behalf of the board
G. LANGTON, D. A. ETHEREDGE — Directors

April 24 1981

PRESIDENT STEYN

President Steyn Gold Mining Company Limited and its wholly-owned subsidiary, Video Mining Company Limited

ISSUED CAPITAL: 14 566 400 shares of 50 cents each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	6 months ended Mar. 1981
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	170	187	357
Tons milled 000's	912	972	1 884
Yield—g/t	6.50	6.50	6.50
Production—kg	5 928	6 318	12 248
Cost—R/m² mined	214.46	188.83	201.04
—R/ton milled	39.98	36.35	38.09
—R/kg produced	6 150	5 589	5 861
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	2 794	1 511	4 305
Head grade:			
gold—g/t	0.57	0.52	0.55
uranium—kg/t	0.09	0.09	0.09
sulphur—per cent	0.79	0.79	0.79
PRICE RECEIVED ON SALES			
Gold—R/kg	13 105	15 316	14 197
—$/oz	530	637	583
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	77 893	94 669	172 562
—Costs	36 459	35 311	71 770
—Profit	41 434	59 358	100 792
Joint Metallurgical Scheme profit	3 191	2 629	5 820
Net sundry income	3 786	4 727	8 513
Profit before taxation and State's share of profit	48 411	66 714	115 125
Provision for taxation and State's share of profit	22 516	32 941	55 457
Profit after taxation and State's share of profit	25 895	33 773	59 668
Deduct:			
Appropriation for capital expenditure			19 164
Dividend—interim			39 329
Retained profit for the six months			1 175
Capital expenditure	8 206	9 477	17 683

PRESIDENT STEYN—Continued

	metres	metres	metres
SHAFT SINKING			
No. 4 sub-vertical shaft system			
Advance	—	—	—
Depth to date	1 175.2	1 175.2	1 175.2
Station cutting	872.9	655.9	1 528.8

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	899	86	10.8	94.07	1 016	1.04	11.26
No. 2	676	12	48.8	44.45	2 169	0.87	42.60
No. 4	4 103	480	62.9	29.55	1 859	0.26	16.42
Video lease area	901	262	160.6	14.93	2 398	0.06	10.11
Quarter ended March 1981	6 579	840	87.8	22.16	1 946	0.16	14.30
Quarter ended December 1980	6 241	810	56.8	31.43	1 785	0.33	18.65
Six months ended March 1981	12 820	1 650	72.6	25.72	1 867	0.23	16.45
Leader reef							
No. 1	904	544	148.9	3.59	534	0.17	25.74
No. 2	495	168	121.9	3.75	457	0.20	23.98
No. 4	64	54	65.9	3.05	201	0.11	7.09
Video lease area	36	34	73.9	4.36	322	0.10	7.73
Quarter ended March 1981	1 499	800	134.4	3.62	486	0.17	23.34
Quarter ended December 1980	1 213	660	132.1	4.03	533	0.21	27.45
Six months ended March 1981	2 712	1 460	133.4	3.80	507	0.19	25.20
"A" reef							
No. 1	1 490	296	34.6	13.84	479	0.52	18.05
No. 2	1 232	336	68.8	17.60	1 211	0.35	24.06
Quarter ended March 1981	2 722	632	52.8	16.44	868	0.40	21.24
Quarter ended December 1980	2 744	730	40.6	12.44	505	0.28	11.48
Six months ended March 1981	5 466	1 362	46.2	14.57	673	0.35	16.01
Area under tribute to and developed by President Brand (not included above)							
Basal reef							
Quarter ended March 1981	306	—	—	—	—	—	—
Quarter ended December 1980	284	6	11.0	51.36	565	0.42	4.65
Six months ended March 1981	590	6	11.0	51.36	565	0.42	4.65
Leader reef							
Quarter ended March 1981	102	28	82.6	2.20	182	0.07	5.40
Quarter ended December 1980	68	—	—	—	—	—	—
Six months ended March 1981	170	28	82.6	2.20	182	0.07	5.40

DIVIDEND

The interim dividend of 270 cents a share in respect of the year ending September 30 1981 was declared on April 23 1981 payable to members registered on May 8 1981 and will be paid on or about June 12 1981.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at March 31 1981 totalled R11 607 000.

For and on behalf of the board
D. A. ETHEREDGE, G. LANGTON — Directors

April 24 1981

WELKOM

Welkom Gold Mining Company Limited

ISSUED CAPITAL: 12 250 000 shares of 50 cents each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	6 months ended Mar. 1981
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	128	133	261
*Tons milled 000's	617	634	1 251
Yield—g/t	4.87	4.75	4.81
Production—kg	3 004	3 009	6 013
Cost—R/m² mined	154.09	147.38	150.67
—R/ton milled	31.97	30.92	31.44
—R/kg produced	6 566	6 514	6 540
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	359	338	697
Head grade:			
gold—g/t	0.70	0.70	0.70
uranium—kg/t	0.20	0.21	0.21
sulphur—per cent	0.35	0.37	0.36
PRICE RECEIVED ON SALES			
Gold—R/kg	13 058	15 322	14 289
—$/oz	527	637	586
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	39 731	45 734	85 465
—Costs	19 724	19 601	39 325
—Profit	20 007	26 133	46 140
Joint Metallurgical Scheme profit	420	1 856	2 276
Net sundry income	1 053	943	1 996
Profit before taxation and State's share of profit	21 480	28 932	50 412
Provision for taxation and State's share of profit	11 170	16 130	27 300
Profit after taxation and State's share of profit	10 310	12 802	23 112
Deduct:			
Appropriation for capital expenditure			3 155
Dividend—interim			18 988
Retained profit for the six months			989
Capital expenditure	2 253	902	3 155
*Tons milled includes ore milled and treated by Free State Geduld Mines Limited at cost plus a service charge	38 100	65 700	103 800

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	1 454	196	10.2	56.18	573	0.97	9.85
No. 2	1 365	254	17.3	54.45	942	0.99	17.14
No. 3	384	40	8.4	63.45	533	0.50	4.23
Quarter ended March 1981	3 203	490	13.8	55.14	761	0.95	13.17
Quarter ended December 1980	3 574	318	16.5	71.45	1 179	1.09	18.00
Six months ended March 1981	6 777	808	14.8	62.50	925	1.02	15.07
"A" reef							
No. 2	54	—	—	—	—	—	—
No. 3	13	—	—	—	—	—	—
Quarter ended March 1981	67	—	—	—	—	—	—
Quarter ended December 1980	—	—	—	—	—	—	—
Six months ended March 1981	67	—	—	—	—	—	—
Leader reef							
No. 1	187	8	241.8	0.60	145	0.06	14.68
No. 2	178	50	119.3	1.94	232	0.13	16.08
No. 3	552	396	136.3	2.89	394	0.14	18.79
Quarter ended March 1981	917	454	136.3	2.72	371	0.14	18.42
Quarter ended December 1980	1 031	424	87.2	3.53	308	0.21	18.02
Six months ended March 1981	1 948	878	112.6	3.03	341	0.16	18.23
Intermediate reef							
No. 2							
Quarter ended March 1981	80	34	169.5	0.15	26	0.06	10.56
Quarter ended December 1980	82	16	67.4	1.25	83	0.81	41.73
Six months ended March 1981	162	50	136.8	0.32	44	0.15	20.35

DIVIDEND

The interim dividend of 155 cents a share in respect of the year ending September 30 1981 was declared on April 23 1981 payable to members registered on May 8 1981 and will be paid on or about June 12 1981.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at March 31 1981 totalled R3 930 000.

MINING OF ERFDEEL/DANKBAARHEID AREA

FORMATION OF ENLARGED WESTERN HOLDINGS COMPLEX

The scheme was approved by members of the company at the general meeting held on January 29 1981. However, the scheme has yet to receive the approval of the Minister of Mineral and Energy Affairs. Once so approved, the date upon which the arrangements will become effective will be the first day of the quarter following the quarter in which the Minister's approval is given.

For and on behalf of the board
G. LANGTON, D. A. ETHEREDGE — Directors

April 24 1981

PRESIDENT BRAND

President Brand Gold Mining Company Limited

ISSUED CAPITAL: 14 040 000 units of stock of 50 cents each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	6 months ended Mar. 1981
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	144	154	298
Tons milled 000's	822	836	1 658
Yield—g/t	8.45	8.22	8.34
Production—kg	6 950	6 875	13 825
Cost—R/m² mined	217.97	199.19	208.26
—R/ton milled	38.18	36.69	37.43
—R/kg produced	4 516	4 462	4 489
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	505	717	1 222
Head grade:			
gold—g/t	0.87	0.72	0.78
uranium—kg/t	0.17	0.15	0.16
sulphur—per cent	0.82	0.87	0.85
PRICE RECEIVED ON SALES			
Gold—R/kg	13 017	15 301	14 302
—$/oz	526	636	572
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	91 003	104 504	195 507
—Costs	31 387	30 675	62 062
—Profit	59 616	73 829	133 445
Joint Metallurgical Scheme profit	6 097	7 707	13 804
Net sundry expenditure	369	1 795	2 164
Profit before taxation and State's share of profit	65 344	79 741	145 085
Provision for taxation and State's share of profit	31 960	39 241	71 201
Profit after taxation and State's share of profit	33 384	40 500	73 884
Deduct:			
Appropriation for capital expenditure			28 508
Dividend—interim			41 418
Retained profit for the six months			3 958
Capital expenditure:			
—Mine	10 077	11 712	21 789
—Joint Metallurgical Scheme	1 588	2 312	3 900
CONSOLIDATED PROFIT			
Consolidated profit after taxation and State's share of profit of the company and its subsidiary, Free State Saaiplaas Gold Mining Company Limited—after allowing for minority shareholders' interest	33 912	43 767	77 679
SHAFT SINKING			
No. 5 Shaft			
Advance—metres	—	—	—
Depth to date—metres	60.3	60.3	60.3

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	332	—	—	—	—	—	—
No. 2	2 418	150	43.8	23.15	1 014	0.16	7.22
No. 3	1 038	44	34.2	22.28	762	0.27	9.20
No. 4	3 560	346	154.6	15.08	2 332	0.06	9.47
Quarter ended March 1981	7 348	540	114.0	16.12	1 838	0.08	8.83
Quarter ended December 1980	7 773	626	64.2	25.56	1 641	0.13	8.21
Six months ended March 1981	15 121	1 166	87.3	19.85	1 733	0.10	8.50
Leader reef							
No. 1	763	204	129.2	4.03	520	0.09	11.28
No. 2	63	38	113.5	3.06	347	0.13	14.25
No. 3	1 354	258	90.6	5.00	453	0.20	18.52
No. 4	14	—	—	—	—	—	—
Quarter ended March 1981	2 194	500	108.1	4.37	472	0.14	15.24
Quarter ended December 1980	2 345	738	116.0	4.97	576	0.17	19.26
Six months ended March 1981	4 539	1 238	112.8	4.73	534	0.16	17.64
In addition, area under tribute from President Steyn							
Basal reef							
No. 2	186	—	—	—	—	—	—
No. 3	120	—	—	—	—	—	—
Quarter ended March 1981	306	—	—	—	—	—	—
Quarter ended December 1980	284	6	11.0	51.36	565	0.42	4.65
Six months ended March 1981	590	6	11.0	51.36	565	0.42	4.65
Leader reef							
No. 3							
Quarter ended March 1981	102	28	82.6	2.20	182	0.07	5.40
Quarter ended December 1980	68	—	—	—	—	—	—
Six months ended March 1981	170	28	82.6	2.20	182	0.07	5.40
Shaft area							
A reef							
No. 3							
Quarter ended March 1981	84	—	—	—	—	—	—
Quarter ended December 1981	100	102	55.8	13.15	734	0.84	46.73
Six months ended March 1981	184	102	55.8	13.15	734	0.84	46.73

DIVIDENDS

The interim dividend of 295 cents a unit of stock in respect of the year ending September 30 1981 was declared on April 23 1981 payable to members registered on May 8 1981 and will be paid on or about June 12 1981.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at March 31 1981 totalled R15 760 000 of which R1 778 000 was in respect of the metallurgical complex.

FREE STATE SAAIPLAAS NO. 3 SHAFT FINANCING

The loan facilities granted to Free State Saaiplaas Gold Mining Company Limited in equal proportions by this company and Anglo American Corporation of South Africa Limited until March 31 1981, have been increased from R30 million to R40 million and the period extended to June 30 1981.

For and on behalf of the board
D. A. ETHEREDGE, G. LANGTON — Directors

April 24 1981

JOINT METALLURGICAL SCHEME

SUMMARY	Quarter ended Mar. 1981	Quarter ended Dec. 1980	6 months ended Mar. 1981
(i) Pyrite flotation plants			
slimes treated—tons	4 693 000	4 526 000	9 219 000
(ii) Uranium plant			
slimes treated—tons	1 563 000	1 492 000	3 055 000
concentrate treated—tons	115 000	103 000	218 000
uranium oxide produced—kg	276 337	265 553	541 890
(iii) Acid plant			
acid produced—tons	93 820	85 997	179 817
(iv) Gold plant			
calcine treated—tons	83 870	74 172	158 042
gold produced—kg	778	611	1 389
(v) Profit—estimated—R000's	12 111	16 933	29 044

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTES

1. DIVIDENDS

Attention is directed to an announcement published in conjunction herewith relating to the declaration on Thursday, April 23 1981, of interim dividends for the year ending September 30 1981.

2. DEVELOPMENT

Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

The Transvaal Group's results appear on another page in this newspaper.

Copies of these reports will be available on request from the offices of the Transfer Secretaries.

Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent, TN24 8EQ.

LONDON OFFICE: 40 HOLBORN VIADUCT, EC1P 1AJ

FREE STATE SAAIPLAAS

Free State Saaiplaas Gold Mining Company Limited

ISSUED CAPITAL: 28 100 000 shares of R1 each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	6 months ended Mar. 1981
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	70	71	141
Tons milled 000's	515	500	1 015
Yield—g/t	2.43	2.45	2.44
Production—kg	1 249	1 223	2 472
Cost—R/m² mined	216.10	193.08	204.51
—R/ton milled	29.37	27.42	28.41
—R/kg produced	12 111	11 209	11 665
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	700	638	1 338
Head grade:			
gold—g/t	0.25	0.25	0.25
uranium—kg/t	0.15	0.16	0.15
sulphur—per cent	0.64	0.64	0.64
PRICE RECEIVED ON SALES			
Gold—R/kg	12 998	15 394	14 249
—$/oz	525	640	585
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	16 061	18 400	34 461
—Costs	15 127	13 709	28 836
—Profit	934	4 691	5 625
Joint Metallurgical Scheme profit	317	1 781	2 098
Net sundry income (expenditure)	(195)	57	(138)
Profit before taxation and State's share of profit	1 056	6 529	7 585
Provision for taxation and State's share of profit	—	—	—
Profit after taxation and State's share of profit	1 056	6 529	7 585
Capital expenditure	6 896	10 611	17 507

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 2	913	—	—	—	—	—	—
No. 3	6 656	204	75.5	18.08	1 365	0.36	27.15
Quarter ended March 1981	7 569	204	75.5	18.08	1 365	0.36	27.15
Quarter ended December 1980	7 031	154	65.1	17.90	1 166	0.38	24.88
Six months ended March 1981	14 600	358	71.0	18.01	1 279	0.37	26.17
Leader reef							
No. 2	909	228	82.7	2.94	243	0.15	12.79
No. 3	4	—	—	—	—	—	—
Quarter ended March 1981	913	228	82.7	2.94	243	0.15	12.79
Quarter ended December 1980	833	292	139.5	2.24	313	0.18	24.43
Six months ended March 1981	1 746	520	114.6	2.46	282	0.17	19.32
"B" reef							
No. 2							
Quarter ended March 1981	95	26	137.7	0.22	30	0.04	4.89
Quarter ended December 1980	168	108	100.0	0.49	49	0.05	5.16
Six months ended March 1981	263	134	107.3	0.42	45	0.05	5.11

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at March 31 1981 totalled R8 924 000.

FREE STATE SAAIPLAAS NO. 3 SHAFT FINANCING

The loan facilities granted to the company in equal proportions by President Brand Gold Mining Company Limited and Anglo American Corporation of South Africa Limited until March 31 1981, have been increased from R30 million to R40 million and the period extended to June 30 1981.

MINING OF ERFDEEL/DANKBAARHEID AREA

FORMATION OF ENLARGED WESTERN HOLDINGS COMPLEX

The scheme was approved by members of the company at the general meeting held on January 29 1981. However, the scheme has yet to receive the approval of the Minister of Mineral and Energy Affairs. Once so approved, the date upon which the arrangements will become effective will be the first day of the quarter following the quarter in which the Minister's approval is given.

For and on behalf of the board
D. A. ETHEREDGE, G. LANGTON — Directors

April 24 1981

WESTERN HOLDINGS

Western Holdings Limited

ISSUED CAPITAL: 7 496 376 shares of 50 cents each

	Quarter ended Mar. 1981	Quarter ended Dec. 1980	6 months ended Mar. 1981
OPERATING RESULTS			
GOLD			
Area mined—square metres 000's	158	167	325
Tons milled 000's	846	835	1 681
Yield—g/t	8.00	8.02	8.01
Production—kg	6 764	6 694	13 458
Cost—R/m² mined	170.92	158.43	164.50
—R/ton milled	31.92	31.69	31.80
—R/kg produced	3 992	3 952	3 972
Joint Metallurgical Scheme (See Summary)			
Slimes delivered			
Tons 000's	1 128	1 041	2 169
Head grade:			
gold—g/t	0.45	0.45	0.45
uranium—kg/t	0.08	0.09	0.08
sulphur—per cent	1.13	1.13	1.13
PRICE RECEIVED ON SALES			
Gold—R/kg	13 065	15 302	14 272
—$/oz	528	636	586
FINANCIAL RESULTS	R000	R000	R000
Gold—Revenue	89 297	101 421	190 718
—Costs	27 006	26 457	53 463
—Profit	62 291	74 964	137 255
Joint Metallurgical Scheme profit	820	1 407	2 227
Net sundry income	7 607	2 511	10 118
Profit before taxation and State's share of profit	70 718	78 882	149 600
Provision for taxation and State's share of profit	41 736	49 239	90 975
Profit after taxation and State's share of profit	28 982	29 643	58 625
Deduct:			
Appropriation for capital expenditure			4 833
Dividend—interim			52 475
Retained profit for the six months			1 317
Capital expenditure	1 849	2 984	4 833

DEVELOPMENT

	Advance metres	Sampled metres	Channel width cm	Gold g/t	Gold cm.g/t	Uranium kg/t	Uranium cm.kg/t
Shaft area							
Basal reef							
No. 1	664	20	44.4	80.83	3 589	0.17	7.69
No. 2	1 127	56	40.6	115.07	4 672	0.19	7.80
No. 3	2 217	394	35.3	35.64	1 258	0.12	4.28
No. 4	2 203	226	8.8	203.52	1 791	2.07	18.15
Quarter ended March 1981	6 211	696	27.4	64.71	1 773	0.33	9.17
Quarter ended December 1980	6 657	486	37.2	74.57	2 774	0.28	10.31
Six months ended March 1981	12 868	1 182	31.4	69.59	2 185	0.31	9.63
Leader reef							
No. 1	1 495	726	101.6	4.09	415	0.18	18.20
No. 2	972	360	125.9	3.67	462	0.16	19.89
No. 3	512	310	203.0	1.97	400	0.04	9.05
No. 4	323	98	15.0	9.03	149	0.42	6.31
Quarter ended March 1981	3 302	1 494	122.8	3.31	406	0.13	15.93
Quarter ended December 1980	3 349	1 196	131.1	3.71	486	0.14	17.98
Six months ended March 1981	6 651	2 690	126.5	3.49	441	0.13	16.84
Area under tribute to and developed by Free State Geduld							
Basal reef							
Quarter ended March 1981	47	22	225.5	1.35	304	0.01	2.69
Quarter ended December 1980	47	42	221.9	1.80	399	0.02	3.47
Six months ended March 1981	94	64	223.1	1.64	366	0.01	3.20
Leader reef							
Quarter ended March 1981	41	40	170.2	1.46	249	0.04	6.13
Quarter ended December 1980	73	66	208.9	1.64	342	0.03	5.71
Six months ended March 1981	114	106	194.3	1.58	307	0.03	5.87

DIVIDEND

The interim dividend of 700 cents a share in respect of the year ending September 30, 1981, was declared on April 23, 1981, payable to members registered on May 8, 1981 and will be paid on or about June 12, 1981.

CAPITAL EXPENDITURE COMMITMENTS

Orders placed and outstanding on capital contracts as at March 31, 1981, totalled R3 325 000.

MINING OF ERFDEEL/DANKBAARHEID AREA

FORMATION OF ENLARGED WESTERN HOLDINGS COMPLEX

The scheme was approved by members of the company at the general meeting held on January 29, 1981. However, the scheme has yet to receive the approval of the Minister of Mineral and Energy Affairs. Once so approved, the date upon which the arrangements will become effective will be the first day of the quarter following the quarter in which the Minister's approval is given.

For and on behalf of the board
G. LANGTON, D. A. ETHEREDGE — Directors

April 24 1981

Developing labour relations on celluloid

John Lloyd examines several controversial attempts within GEC to use film to improve communication with employees

IT HAS been a fundamental belief of industrial relations, ever since the concept had a meaning and was practised as an art, that the more communication — in both directions — between management and worker, the better.

Like many such truths, however, its very universality can hinder its translation into practical reality. How are workers to be informed about their workplaces? How much of the truth can or should they be told? How often? By what medium? Should the information be given for its own sake, or as a catalyst to further action? What effect will the dissemination of information by whatever media have on the industrial relations of the given company or plant? And how should the worker be enabled to communicate with management, once management has communicated with him?

The General Electric Company (GEC), the UK's largest private employer (some 150,000 workers at the last count) is unusually aware of this issue.

The product of a double merger with AEI and English Electric in the late 1960s, its workers' loyalty at every level had to be drawn towards the new centre. At the same time the dominant ethos of pushing responsibility down the line to the smallest possible units meant a stress on the local, inevitably at the expense of the national.

These factors, coupled with the size of the company and a strong personal belief in the responsibility of management to inform and explain, has led GEC's managing director, Lord Weinstock, to make successive exhortations to his managers on the importance of employee communications. He it was who, some four years ago, pushed for the annual publication of a popular synopsis of the yearly accounts, and its distribution to all GEC workers. The report included encouragement for requests for further information, suggestions and general feedback.

The reports appear to have been successful enough as far as they went. They were widely distributed in many GEC companies, and elicited some response. But a number of different events and pressures led to a questioning of whether or not they were appropriate, or went far enough.

The worsening economic climate towards the end of the seventies made it increasingly imperative—as GEC management saw it—that workers at all levels were told the facts of life for big business in a period of recession. The cover of the 1979 employee report showed GEC as a medium sized fish in a sea of hungry competitor-predators, many of which were considerably larger; the implicit motto was "sell more or sink."

The response to these pressures was fashioned by a number of people within and around GEC in different times and in different ways. Lord Weinstock himself kept up a relentless pressure for better communications. Dr. Tony Eccles, now a professor at London Business School, was appointed as an advisor on worker participation in 1975, preaching the virtues of more openness in decision making, and about the environment in which GEC had to operate.

Lord Weinstock: made successive exhortations to his managers on the importance of employee communications

Sara Morrison, whose brief includes communications within the company and who had been an active member of the Annan Committee on broadcasting, began to give some thought to a new mode of communicating with the company's vast workforce, and of receiving its messages back.

Naturally, they—and others—thought of films; but, as highly educated people whose generation predated wall-to-wall television, they were hooked on print. Says Morrison, now a main Board member, "We all believed in the printed word because we thought that would give the maximum incentive to the localities. Arnold (Weinstock) was terrified that films would be too transitory and unsatisfying."

Weinstock did, however, consider the idea of an epic telling employees the grimmest truth about the trading environment. GEC executives christened it the "Ben Hur idea," and it was never made in quite that form—though the idea stayed around.

Enter a catalyst. Nigel Houghton was an ex-BBC filmmaker who in 1975, had made a film about workers' participation for the Open University, using GEC's power engineering plant at Trafford Park as his location. Quite separately, he formed the idea of making a film *for* GEC which would involve the workforce and the management, both in the way it was made and the way it was used. Crucial to its success would be an agreement by GEC to let the film-maker "tell it like it was;" company propaganda was out.

He took his idea to Alan Veale, the board member for power engineering and to Nigel Eldred, a power engineering group managing director. Veale's group was perhaps the hardest-pressed in GEC; at the time he had almost no large domestic orders for his group's major product, turbine generators, and the export market was fearsomely tough. He needed to impress upon his workers that they had to fight to survive. He bought Houghton's idea.

His decision to do so, and to grant Houghton full editorial independence, was to prove a telling one. Its ramifications went far beyond the immediate product, and touched off a variety of responses throughout the GEC group. They are still reverberating through the system, and many of its senior executives believe they may greatly influence the future shape of industrial relations.

A triple exposure

NIGEL HOUGHTON'S film for the power engineering group, called "Is anything going to change?" was certainly very slick. The film was fronted by Brian Redhead of Radio 4's Today programme, and was sharply edited and fast moving. It opened with a a brief history of the rapid decline of home orders, ending the section with a comment from Redhead that "if (if!) Power Engineering has a future it is overseas." But overseas, he quickly added, "the undercutting (on price) verges on the immoral."

The came a series of harsh alternatives. Investment had to be made in new equipment. But would not that mean redundancies? A white-collar shop steward commented that the workforce was "scared and cynical." A skilled worker complained that skilled workers' rates were so low the company couldn't attract staff. A longish scene showed semi-skilled workers, seated round a pub table, telling Redhead that their jobs were dead-end.

What about communication within the company? "Not enough," commented Redhead, and the film produced an APEX shop steward who repeated the point, and an ASTMS convenor who spoke of getting back an esprit de corps. "Nobody owes GEC a future," Redhead concluded helpfully, adding that the workforce and management ought, perhaps, to get together.

The film's script, transcribed into an article in this paper, would probably have drawn an angry response from Lord Weinstock. With few changes, it could have filled a "World in Action" or "TV Eye" slot; indeed, the producers might arguably have felt compelled to add some more "balance." For the group and for GEC as a whole, it has been a powerful experience, and has played a key role in stimulating a series of responses throughout the company.

Within the power division itself, it drew a certain animosity from both management and workers; indeed, that animosity appeared to be greater among workers. A mixed group of managers and shop stewards, brought together by GEC to discuss the film for this article, were broadly agreed that the film had done little good, though all also agreed that it had a catalytic effect.

Harry Martin, an engineering convenor from the Rugby plant of Power Engineering's turbine generator division, said: "I thought it was a shocking film. It gave the impression that all people were after was money." Both workers and management appeared genuinely outraged that the semi-skilled workers had been filmed while drinking, and talked of the "stereotype of the boozy worker."

Only the most senior manager present, Don Howell, a plant general manager, was prepared to see its uses. "It didn't surprise me: much of what it said was true. It doesn't matter so much what the film said, as what happenned afterwards."

There was, indeed, some criticism of "what happened afterwards." A programme of gathering responses to the film was, by general consensus, badly organised and produced sketchy results, much of the reaction ran into the sand.

But it did stimulate the group's senior manager, Bob Davidson, into action. Davidson is a laconic Scot who heads the turbine generator business and whose export successes, including the recent £550m order from Hong Kong, puts him among the country's top spinners of foreign currency. He didn't like the film, so he set out to make a better one, according to his lights.

His film, made for the turbine generator division, was very different affair from the first, and much more in keeping with Davidson's philosophy. It had one theme: the successful bid for the provision of turbine generators to the Tutuka power station in South Africa.

It was efficiently enough made, and again featured a professional presenter, Brian Gould. But it was low key, much more technical, stressing the virtues of care, individual and team effort.

Surprisingly (to an outsider), Davidson's film was much more warmly received. Eddie Ryan, a shop steward from the turbine generator division's Stafford plant, said "the film did a lot of good on the shop floor." Howell, the senior manager, agreed, but added: "The second film was a comfortable film, the first was disturbing."

What is undisputed is that the second film generated immense amounts of discussion because it was part of a programme of small meetings—led by the middle managers—and of meet-the-bosses sessions in which Davidson and other senior managers personally met or addressed virtually all of the division's 8,000 employees.

This process will continue, says Davidson, because it is the end result of several years of reflection on the nature of modern management-to-worker communication.

"We have to come to the conclusion that in general both management and trade unions fail to communicate with the masses. What we are trying to do is to communicate with all the people at all levels. In the future we will use more audio visual aids, but more importantly we will continue to say to our middle managers—it is your job to talk to your people. It's not the job of the trade union representative, it's your job."

Bob Davidson (right): disliked the first film, so set out to make a better one, and scored a decided hit; Sara Morrison: had been persuaded that people only wanted to talk about the broken window in the toilet

The second initiative which the controversial power engineering film helped stimulate was a grander, all-company film: the final outcome of Lord Weinstock's "Ben Hur" idea.

The film, called "Your Future with GEC," was made at the same time as the turbine generator film but was a less radical departure from power engineering's innovation. Fronted once more by a professional—Peter Hobday—it featured a number of complaints by selected workers, a grim but not histrionic warning of the future by Lord Weinstock, and altogether was a commendable attempt to convey the size of GEC in under 30 minutes. Shown in the latter part of last year, it was "better" (in a journalistic sense: i.e., less propagandist) than the standard company film, but for those who had seen the power generation film, its effect was blunted.

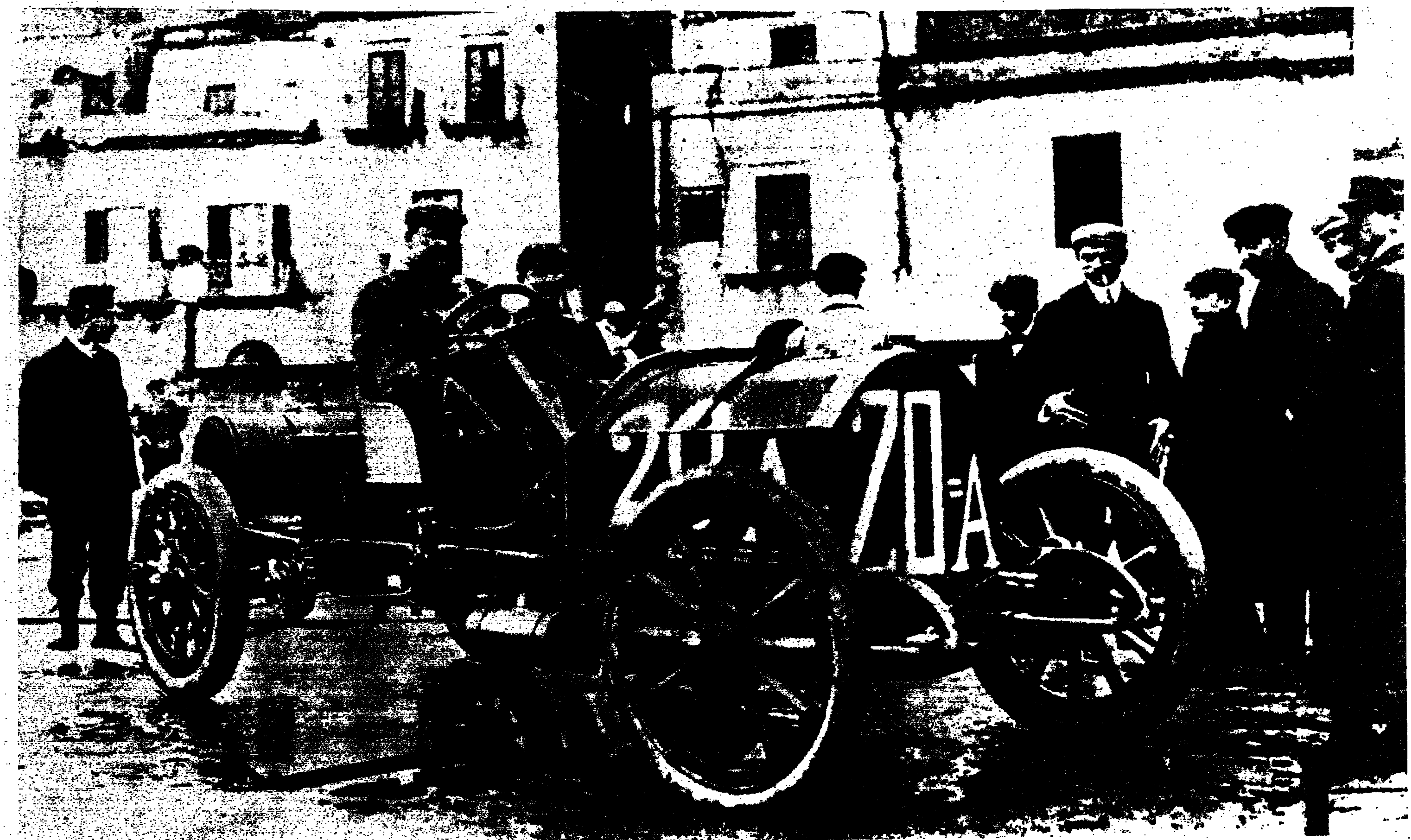
Sara Morrison says: "The response was enormously positive. I didn't think it would be; I had been persuaded over the years that the only thing people wanted to talk about was the broken window in the toilet."

In trips round the company, Morrison has experienced a wide range of reactions to the exercise, ranging from indifference to enthusiasm. She remains committed to better communication: her experience on the Annan committee and her thoughts about the media and their messages since have strongly coloured the approach she brings to the project.

Says Morrison: "We are constantly being asked to react so that we stop reacting at all. This is an attempt to use film and other media within a context which stimulates communication, not stifles it."

The company is scarcely likely to turn its back on the experiment, once started. The concept appears to have been taken up by the more thoughtful managers, including those once sceptical, like Davidson; other divisions are now making their own films. A survey conducted among 1,000 GEC employees showed support for further exercises of the same kind and a general complaint that communication could do with improving.

Thoughtfulness among managers was part of the object of the exercise: the evident signs of interest on the shopfloor another. But the senior managers are at pains to stress that neither will come to much if the exercise does not cause a concomitant change in the pattern of industrial relations—a greater openness linked, in the minds of at least some managers, with a greater readiness of management to assume authority.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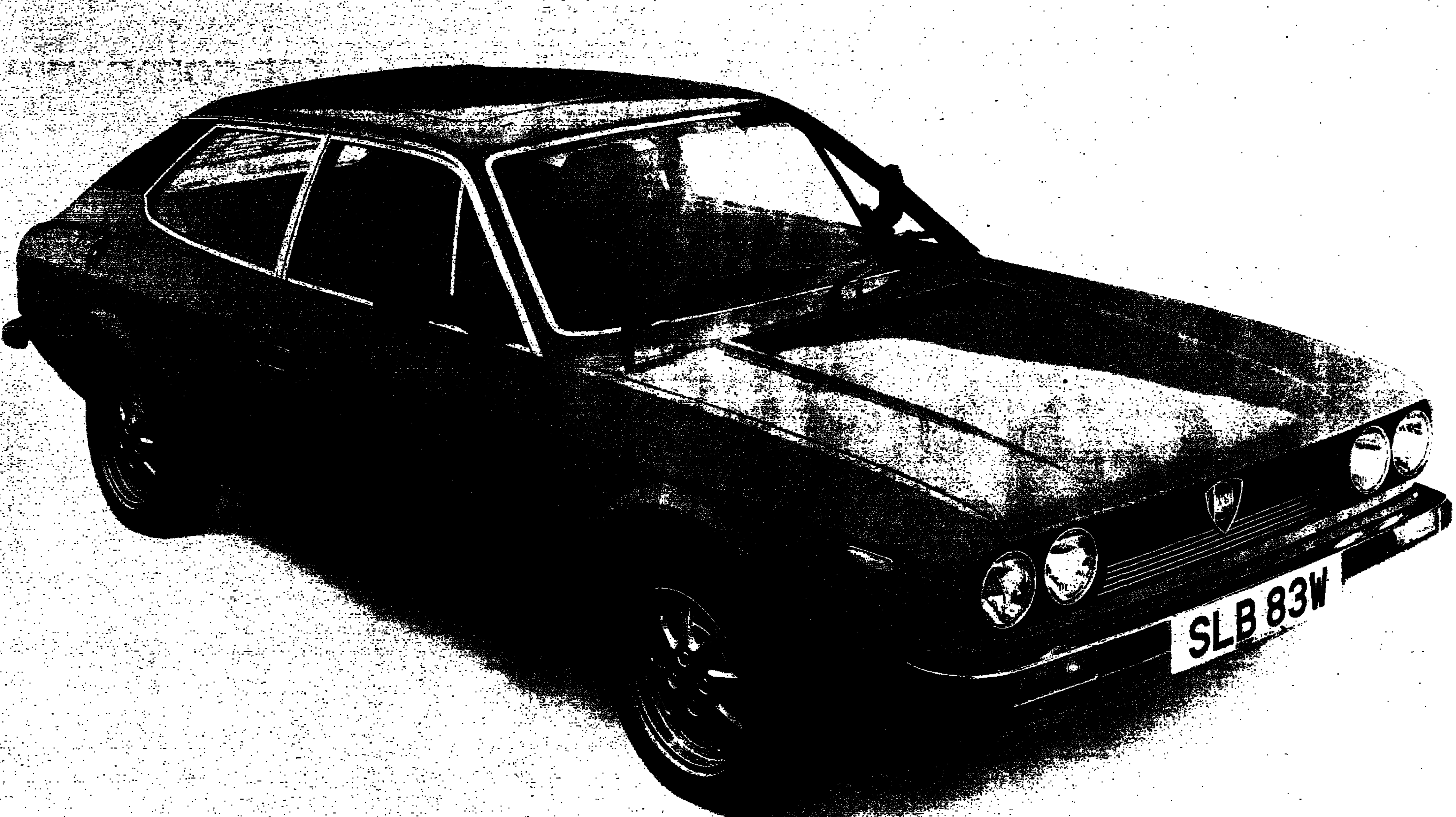
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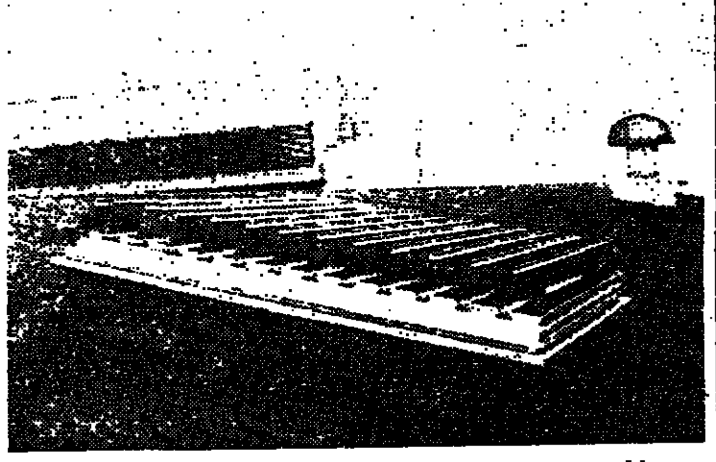
Technical Page

EDITED BY ARTHUR BENNETT AND ALAN CANE

Ventilation and fire protection in one unit



The Argoclear roof-mounted ventilation system combines natural and smoke ventilation in one unit

CLAIMED TO provide ventilation and fire protection in one unit, a new type of roof-mounted system is now being manufactured in Britain by Argosy Fenton, Barking, Essex (01-594 1081) under licence from the French company, Souchier-Fages.

Known as the Argoclear, the ventilation system can be used to exhaust both interior heat and solar heat from single-storey factories and commercial buildings. Units can be installed on flat or pitched roofs and in walls or vertical glazing. They are claimed to have a high free-air flow area in relation to their size, thus reducing the number of units needed on a particular building.

In the event of fire the ventilators are designed to open automatically to release smoke and hot gases from the building. Each ventilator is fitted with a thermal fuse which melts at a predetermined temperature. This releases a tensioned spring which opens the ventilators.

If required, more advanced controls—connected to thermostatic, pressure-activated and heat-sensing systems using electric, electronic or pneumatic actuators—can be fitted.

The ventilators have corrosion-resistant extruded aluminium and stainless steel components and no flammable nylon or plastic parts.

Portable oscilloscopes from Tektronix

FIELD SERVICE engineers' needs for electronic equipment which is light, rugged and durable without loss of efficient performance are claimed to be met by the new 2300 Series portable oscilloscopes introduced by Tektronix UK, Harpenden (058 27 63141). They are manufactured by Tektronix Inc., Portland, Oregon.

The three oscilloscopes in the 2300 Series (2335, 2336 and 2337) are all 100 MHz dual-trace instruments. Improved triggering, using integrated circuitry, is claimed to provide a capability far exceeding the instruments' rated band-width up to 200 MHz, while a newly-designed cathode ray tube gives a sharp trace and a much larger spot size.

A higher standard of electromagnetic compatability without the inconvenience of a mesh screen has been established, says Tektronix. With a deep-drawn aluminium housing and cathode tube shield, the 2335 achieves 40V/metre, and the 2336 and 2337 20V/metre.

Ion beams on the 'pot black' principle..

A SMALL but high-powered Oxford company has established a customer trials facility for the micro-machining of engineering components using ion beam technology. Space exploration spawned the technique. ALAN CANE

TREAT that new razor blade with respect tomorrow morning; its flawless surface is born of space technology tempered with the experience of the silicon chip manufacturers.

Now, if the hopes of a tiny, high powered UK company are fulfilled, that same technology will be available to UK engineering companies.

The technology is called ion machining; cutting grooves and patterns in very hard materials using concentrated streams of ionised gas.

The company is Oxford Applied Research, formed two-and-a-half-years ago, and now 12 strong. According to Dr. Roy Clampitt, its founder and managing director, it provides a centre for research in the Oxford area, independent of outside agencies and using the considerable brainpower in the Oxford area.

What he has established is a customer trials facility for the micro-machining of engineering components using ion beam technology.

His aim is to persuade UK industry, still backward in embracing such esoteric techniques, that they could benefit from a touch of space expertise.

Ion beam technology was, in fact, developed in the UK at Farnborough where it solved the problem of the fine adjustment of satellites in space.

Followers of the space shuttle saga will know that the shuttle was manoeuvred using small rocket motors positioned round the space craft.

The use of ion beams — electric propulsion—for satellites makes possible very fine alignment of the satellite, of crucial importance when they are being used for communications.

But, Dr. Clampitt laments, although the technology was developed in the UK it was exploited in the U.S. which now holds the lead in the manufacture of ion beam machinery.

His machines come from Iontech of Colorado which he believes to be the most advanced company in the field of ion generators.

Dr. Clampitt was formerly a government scientist, working on plasma physics at the UK Atomic Energy Authority and on the industrial applications of new technology.

It was through his work at UKAEA that he first, as he puts it: "Put a small finger on the pulse of ion beam technology."

Ion beam machining takes over where traditional methods of metal removing leave off. It works on the "collision of billiard balls" principle, knocking off fragments of the workpiece atom by atom.

What such a fine technique can be used for is, of course, somewhat removed from the swarf and oil of conventional machining.

The semiconductor industry was the first to pick up the implications. Looking for a replacement for wet processing in the production of silicon memories and microprocessors both in terms of fine resolution and safety (wet processing is a fairly hazardous process). It found that ion beams could be relied on to cut a neat groove as little as one micron (10^{-3} millimetre) deep with repeatable precision.

In the U.S., wider applications for the technology simply suggested themselves and were seized on. Already it is used for cleaning and coating the surface of razor blades.

Teflon tape, notoriously difficult to electroplate, responds well if the surface is first etched using ion beams.

A more unusual development of this latter application suggested itself in part replacement surgery. Knee and elbow joints fashioned in titanium steel are smooth and resistant to biological growth.

Treatment with ion beams renders a rough surface not unlike the tongue of a cat on which biological tissue finds it much easier to adhere.

A more conventional use is the cutting of fine lines on optical glass to form the essential centre of monochromators and spectrophotometers.

Dr. Clampitt believes industry could find a wide range of applications for the technique but is shy of anything seeming so advanced as "atomic beam machining."

Hence the trials facility. Oxford Applied Research is on 0993 2162.

Boxford introduces new lathe

BEST KNOWN as a manufacturer of lathes and other machine tools for technical training schools, Boxford Machine Tools, Halifax (0422 59311), has introduced a lathe designed primarily to meet the production needs of the engineering industry.

It provides a swing of 280 mm over the bed and 300 mm under the spindle over a length of 150 mm. A similar model suitable for technical training has also been introduced.

The lathes are designed on functional and ergonomic principles and made to ISO metric standard throughout, says Boxford. The design has been influenced by the company's long and close association with machine-tool engineers engaged in training apprentices. Indeed, Boxford acknowledges that teachers played a large part in the development of the training lathe.

The simplicity of design and operation, and the numerous safety features, are claimed to render the lathe well suited to general production use. Boxford has been a member of the Brooke Tool Engineering group since 1955 and now exports more than half its output.

. . . while the Swiss sputter to success

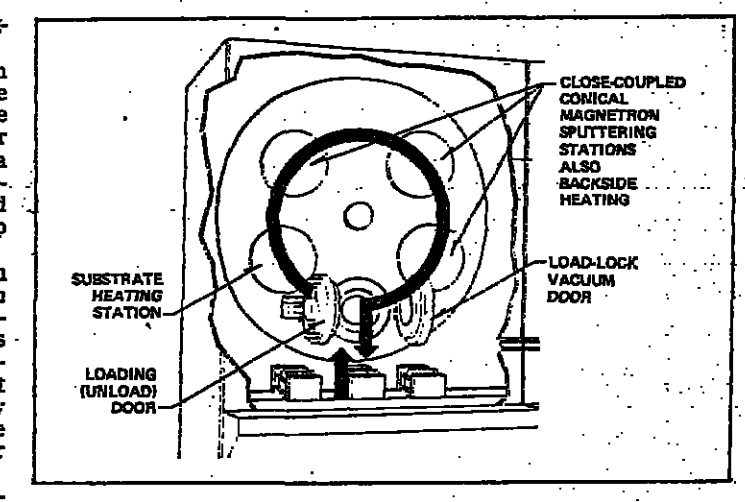
AN ADVANCE in sputtering technology for semiconductor manufacturers is claimed by the Swiss company Varian AG (042 232575). Sputtering can be defined as the removal of atoms from the cathode in a gas discharge by positive ion bombardment, like a cold evaporation. The unchanged atoms deposit on any surface and are used to coat dielectrics with thin films of suitable metals.

The new Varian system, known as the Model 3180 sputter coater, is claimed to be capable of sputtering 1 micron Al or Al alloy coating on to 60 wafers at up to 125 mm per hour without the wafer needing to be handled by an operator. By automatically coating one wafer at a time, says Varian, the system will ensure optimum process repeatability and improved control of wafer diagnostics.

Key features of the system include cassette-to-cassette wafer handling, rotary in-line indexing, micro processor control, a load-lock area restricted to 250 cc, a positive-pressure nitrogen system, and a fully automated cryopump system.

At the start of a production run the operator can program the microprocessor by responding to prompts for key process parameters, such as wafer heating and coating thickness, that appear on the visual display unit screen. Up to 20 complete programs can be stored for future use.

To initiate the loading, heating, sputtering, testing and unloading of the wafers, the operator simply calls up the correct program and presses a button.



The system is claimed to carry out the automatic testing of coating thicknesses and sheet resistivity. Alarms sound when process parameters exceed their programmed levels, and Varian claims that this facility can prevent an entire run of costly wafers from damage in the event of a malfunction.

Concentric sets up cathodic electro-painting plant

AN ADVANCED cathodic electropainting plant has been installed at a cost of more than £300,000 by Concentric (Pressed Products), Handsworth, Birmingham (021 551 4411) the main business of which is the production of steel pressings for the automotive industry.

The plant will be available to other pressings manufacturers as well as to a broad range of industries where the corrosion resistance of the finished product is of primary importance.

A special feature of the plant, claimed to be only the second of its type in Britain outside the automotive industry and the first to be used for painting engine components, is the conveyorised eight-stage pretreatment process.

This process includes the in-line electrolytic cleaning of the components, a zinc phosphate coating to enhance paint adhesion and improve anti-corrosive properties, and a chromic acid rinse to ensure the effectiveness of the zinc phosphate.

The components are immersion coated, the layer of paint being applied by electro-deposition. This in itself is not new, says Concentric, but until recently anodic as opposed to cathodic electroplating has been the only accepted method.

After painting the workpieces are passed through a stoving oven at 180 degrees C metal temperature for at least 15 minutes.

Use of the cathodic technique, in which the workpiece acts as the cathode instead of the anode in the electropainting process, is claimed to give better paint adhesion.

Wrench for engineers

AN IMPROVED pneumatic torque wrench claimed as suitable for use on volume engineering assembly lines has been introduced by Norbar Torque Tools, Banbury, Oxon (0295 4234), which has added a two-speed automatic gearbox and nose extension to its existing Pneutorque wrench.

Because of the low gearing necessary to produce the required load, tightening nuts accurately to a predetermined torque was a relatively slow job, especially on long threaded bolts.

Norbar partly solved this problem when it introduced a two-speed manual gearbox for the Pneutorque wrench. This enabled the operator to run the nut down the thread five times faster before changing gear manually to apply the specified tightening torque load.

The company has now gone a stage further in developing a fully automatic gearbox that runs the nut down the thread at up to 25 times normal speed, senses a predetermined torque resistance and changes automatically into low gear before applying the final torque.

The new nose extension fits in place of the standard reaction plate and is claimed to solve the problem of tightening bolts in confined places.

The automatic unit has an outer tube with a forged reaction foot through which passes a square drive mounted in bearings. It is available in standard lengths of 6 in, 9 in or 12 in, with either $\frac{3}{4}$-in or 1-in square drives.

COMPANY NOTICES

AAC

ORANGE FREE STATE GOLD MINING COMPANIES

ADMINISTERED BY ANGLO AMERICAN CORPORATION

INTERIM DIVIDENDS—FINANCIAL YEARS ENDING SEPTEMBER 30 1981

On April 23, 1981 dividends were declared in South African currency, payable to members registered in the books of the undermentioned companies at the close of business on May 8, 1981, and to persons presenting the relevant coupons marked "South Africa" detached from share/stock warrants to bearer.

The transfer registers and registers of members will be closed in each case from May 9 to May 22, 1981, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 11, 1981. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on June 2, 1981, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before May 8, 1981.

Holders of share/stock warrants to bearer are notified that the dividends are payable on or after June 12, 1981, upon presentation of the respective coupons (marked "South Africa") at the offices of Barclays National Bank Limited, Stock Exchange Branch, Cnr. West and Diagonal Streets, Johannesburg, South Africa; Union Bank of Switzerland, Bahnhofstrasse 45, Zurich, Switzerland; Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France, and Banque Bruxelles Lambert, 2 Rue de la Regence, 1000 Bruxelles, Belgium, only. Coupons must be left at least four clear days for examination.

Proceeds of dividends in respect of coupons marked "South Africa" may, at the request of the depositors, be converted through an authorised dealer in exchange in the Republic of South Africa into any currency. The effective rate of exchange for conversion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with the authorised dealer in exchange.

The effective rate of non-resident shareholders' tax for all the undermentioned companies is 15 per cent.

The dividends are payable subject to conditions which can be inspected at the head and London offices of the companies and also at the offices of the companies' transfer secretaries in Johannesburg and the United Kingdom.

Name of Company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupons marked "South Africa" No.	Rate of dividend per share/unit of stock
Free State Geduld Mines Limited	48	49	365 cents
President Brand Gold Mining Company Limited	52	54	295 cents
President Steyn Gold Mining Company Limited	52	53	270 cents
Welkom Gold Mining Company Limited	48	—	155 cents
Western Holdings Limited	52	—	700 cents

By order of the boards
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: R. S. EDMUNDS
Divisional Secretary

Transfer Secretaries
Consolidated Share Registrars Limited
62 Marshall Street
Johannesburg
2001
(P.O. Box 61051
Marshalltown 2107)

Charter Consolidated Limited
P.O. Box 102
Charter House, Park Street
Ashford, Kent TN24 8EQ

Head Office
44 Main Street
Johannesburg
2001
(P.O. Box 61587
Marshalltown 2107)

London Office
40 Holborn Viaduct
London EC1P 1AJ

Johannesburg
April 24, 1981.

AAC

EAST RAND GOLD AND URANIUM COMPANY LIMITED

(Incorporated in the Republic of South Africa)

FINAL DIVIDEND—FINANCIAL YEAR ENDED MARCH 31 1981

On April 23, 1981 dividend No. 5 of 100 cents a share was declared in South African currency, payable to members registered in the books of the company at the close of business on May 8, 1981.

The transfer registers and registers of members will be closed from May 9 to 22, 1981, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 11, 1981. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on June 2, 1981, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before May 8, 1981.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: C. R. BULL
Divisional Secretary

Transfer Secretaries
Consolidated Share Registrars Limited
62 Marshall Street
Johannesburg
2001
(P.O. Box 61051
Marshalltown 2107)

Charter Consolidated Limited
P.O. Box 102
Charter House, Park Street
Ashford, Kent TN24 8EQ

Head Office
44 Main Street
Johannesburg
2001
(P.O. Box 61587
Marshalltown 2107)

London Office
40 Holborn Viaduct
London EC1P 1AJ

Johannesburg
April 24 1981

E.N.E.L.

$7\frac{1}{2}$% 1971/1986 Loan of 60,000,000 European Currency Units

Notice is hereby given to bondholders of the above loan that the Deutsche Mark (1 European Currency Unit = DM 3.66) has been selected as payment currency for coupon No. 10. Coupon No. 10 will payable on or after May 1, 1981 by the paying agents mentioned on the debentures.

Fiscal Agent
KREDIETBANK
S.A. Luxembourgeoise

AMOCO (U.K.) EXPLORATION COMPANY

Copies of the Financial Statements for 1980 are now available and may be obtained from:

The Assistant Secretary,
Amoco (U.K.) Exploration Company,
St. Alban's House,
59 Haymarket,
London, SW1Y 4QX.

PROVINCE OF MANITOBA (CANADA)

7% 1969/1989 UA 15,000,000

On April 10, 1981, Bonds for the amount of UA 750,000 have been drawn for redemption in the presence of a Notary Public.

The Bonds will be reimbursed coupon due June 17, 1982 and following attached on and after June 17, 1981.

The numbers of the drawn Bonds are as follows:
955 to 959 incl., 963 to 1043 incl., 1045 to 1050 incl., 1052 to 1071 incl., 1073 and 1074, 1078 to 1143 incl., 1154 to 1176 incl., 1179 to 1258 incl., 1266 to 1390 incl., 1392 to 1413 incl., 1416 to 1582 incl., 1584 to 1619 incl., 1624 to 1638 incl., 1645, 1683 to 1719 incl., 1721 to 1744 incl., 1746 to 1747, 1750 to 1752 incl., 1756 to 1765 incl., 1773 to 1797 incl.

Amount unamortised: UA 7,500,000.

Outstanding drawn Bonds:
3640, 3643 and 3644, 3647, 3667 and 3668, 3724 and 3725, 3733 to 3738 incl., 3748, 3751, 3757, 3846 and 3847, 3988 to 3994 incl., 4056 to 4058 incl., 4072 and 4073, 4085, 4088 to 4092 incl., 4209, 4247 and 4248, 4280 to 4291 incl., 4364, 4368 to 4371 incl., 11073 to 11077 incl., 11504, 11704 to 11706 incl., 13323.

The Trustee,
KREDIETBANK
S.A. Luxembourgeoise.

Luxembourg,
April 24, 1981.

KONISHIROKU PHOTO INDUSTRY CO. LTD.

NOTICE TO EDR HOLDERS

NOTICE IS HEREBY GIVEN that the shareholders' register will be closed from April 20, 1981 to the date of closing of the 77th Ordinary General Meeting scheduled to be held in mid-July 1981. Accordingly during this period it will not be possible to register the transfer of shares withdrawn against the surrender of EDRs.

EDR holders are further informed that April 20, 1981 is the record date for determination of persons who will be entitled to vote at the Ordinary General Meeting and to receive the year-end dividend.

With effect from April 16, 1981 the shares will be traded on the Tokyo Stock Exchange ex-dividend, and EDR holders are advised that Coupon No. 8 to the EDRs will, subject to shareholders' approval of the dividend, be used for the purpose of claiming this dividend and will be deemed to mature on April 16, 1981. Commencing on April 16, 1981 Coupon No. 8 should be detached from any EDR presented for surrender and will not be issued with any new EDR.

Subject to shareholders' approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend, together with the procedure to be followed for obtaining payment thereof, as soon as practicable after receipt of the dividend by the Depositary. Only upon such notice will any payment be made against the presentation of Coupon No. 8.

THE CHASE MANHATTAN BANK N.A., LONDON
as Depositary.

April 1981.

URUGUAY $3\frac{1}{2}$% CONSOLIDATED DEBT 1891

Williams & Glyn's Bank Limited hereby give notice that they will be prepared to pay on 1st May, 1981, the coupons due on that date of the abovementioned debt. Coupons must be left three clear days for examination.

5-10 Great Tower Street,
London, EC3.

ALCOA OF AUSTRALIA LIMITED

wishes to announce that copies of the Annual Report of the Company for the year ended 31st December, 1980 are available from the Corporate Trust Department, Bankers Trust Company, 9 Queen Victoria Street, London EC4P 4DB.

W. F. JOHNSTONE & COMPANY LIMITED

(Incorporated in the Republic of South Africa)

Interim Ordinary Dividend [illegible] per cent [illegible] per share [illegible] has been declared on 13th April, 1981 payable to Ordinary shareholders registered in the books of the Company at close of business on 15th May, 1981.

Dividend declared in currency of Republic of South Africa and warrants in payment will be posted to shareholders on or about 5th June, 1981.

In terms of Income Tax Act non-resident shareholders tax of fifteen per cent will be deducted from dividends due to shareholders whose addresses in share register are outside Republic.

Transfer books and Register of Members will be closed from 16th May, 1981 to 5th June, 1981, both dates inclusive.

By Order of the Board
A. D. BRUNT, A.C.I.S.
Secretary

London Transfer Secretaries:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London, SW1P 1PL.

Registered Office:
10 Quality Street
Mobeni, Natal,
South Africa.
21st April, 1981.

LONDON AND MANCHESTER ASSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Share Transfer Books of the Company will be closed from 1 to 15 May 1981, both dates inclusive.

Transfers should be lodged with the Company's Registrars, Spain Brothers & Company, at 10 Bank Street, Tonbridge, Kent, by 4.00 p.m. on 30 April, 1981.

By Order of the Board
F. COLLIN
T. W. THORN
Joint Secretaries

24 April, 1981.

SCOTTISH PROPERTY FINANCIAL TIMES REPORT

Aided by the drop in interest rates, parts of the market are beginning to pull out of recession. Demand for office and residential property is picking up, but the retail and industrial sectors have still to show improvement.

First signs of a long, slow recovery

THE PROPERTY markets are beginning to show signs, well in advance of most other sectors of the Scottish economy, that the recession has reached its worst point and is starting a long, slow climb upwards.

However, it is fair to say that the indications from other industrial sectors are not good. The latest survey by the Scottish division of the Confederation of British Industry showed confidence still at a very low level and most forecasts say that unemployment will continue rising and manufacturing output will remain static for much of this year.

Few Scottish economists would be as definite in their statements as Professor Donald Mackay of Heriot Watt University, Edinburgh, who declared in his latest economic review for the estate agents Kenneth Ryden and Partners: "The Scottish economy, like the UK economy, is now at the trough of the present recession."

But there are some hopeful developments. Parts of the engineering industry—still one of the most important manufacturing sectors in Scotland, despite the diversification of the economy in recent years—are now rebuilding their stock levels after a long period of running them down. They have been encouraged partly by their own predictions that demand will be rising by the second half of 1981 and by the fall in interest rates, which has eased their cash flow problems.

Easier

The banks are also signalling that times are getting slightly easier for their industrial customers. The call for the Receiver is being made less frequently and industrial order books are starting to improve.

In the property market the fall in interest rates has also stimulated some activity. In the residential sector, prices are again beginning to move as demand picks up after a long flat period. Slater, Hogg, Howison, the Glasgow-based estate agents, report a 5 to 7 per cent increase in the prices of all but the most expensive properties during the past quarter, a dramatic recovery in a market which had been static or falling since February last year.

The Edinburgh and Glasgow offices of Bernard Thorpe and Partners also record a "dramatic upturn" in the local housing market, with one and two bedroom flats—the traditional first purchase for many young Scottish buyers—rising in price by up to 10 per cent since the beginning of the year.

The demand for office property has also been picking up, albeit from a very low level. In Edinburgh, where a number of new and refurbished buildings have remained empty for many months, occupiers have been found for several significant developments.

Allied Breweries took an entire floor of Scottish Life's Orchard Brae House, the Standard Chartered Bank moved into 18/20 George Street, signalling a new revival in the financial community after a pause in activity, and—probably most significant of all—the Post Office took Dundas House, a 120,000 sq ft development by the British Steel Pension Fund and Trafalgar House, which has been empty for many months.

In Glasgow there has been a number of take-ups, although mainly in the favoured inner city commercial area, where space has always been in demand.

In Aberdeen, demand in the second six months of last year totalled 60,000 sq ft which, while modest by the standards of recent years, was twice the take-up in the first half of 1980. The property industry is divided in its assessment of Aberdeen, some people believing that with the move by most of the big oil companies out of the city centre to the purpose-built blocks on the outskirts, its boom days are over.

Others think, like Kenneth Ryden, that there could be a renewed boom in Aberdeen during 1981, pointing to the keen bidding for the recent round of exploration licence awards as an indicator.

The office market in Scotland has undoubtedly come through a recession of its own, but, as Richard Sykes, senior partner in Richard Ellis's Glasgow office, confirms, it was not a disaster on the scale of the slump in the mid-1970s and the availability of space has never been wildly ahead of the demand.

"The experience of 1973, the caution of the institutions and the restrictions imposed by the planners have all combined to slow the market down," he maintains.

"The secondary banks have not been involved in lending on property development and funding has been from the institutions, which take a more cautious view, so there was not an artificial boom. People haven't been developing in fringe locations on the unfounded assumption that they had in the early 1970s that demand would increase so much that people must move there."

Other sectors of the property market are, however, not experiencing the same buoyancy as residential and commercial. The demand for retail space, which went through a mini-boom last year, has slackened off. During 1980, real incomes, and therefore consumer spending, remained high, leading to a demand by retailers for all types of space and to a general rise in rents.

But, despite the predicted fall in the rate of inflation, real incomes are likely to be squeezed this year as employers seek to keep down wage increases and the Treasury takes a larger proportion of salaries as a result of the Chancellor's refusal to index tax allowances.

So the demand for retail space can be expected to level off, while supply in Scotland remains relatively high.

The industrial sector is the most depressed area of the property scene. Demand, except for the very smallest units, is low and the indications are that an upturn may not come until next year. Many manufacturers have ample spare space available to accommodate an increase in activity and the closures and rationalisations of the past few years have left a sorry string of industrial mausoleums.

Ray Perman

A 22,000 sq. ft. development in Aberdeen by Guardian Royal Exchange. The ground floor has been let to Lloyds Bank. Suites from 2,600 sq. ft. on upper floors are being offered by F. G. Burnett and Drivers Jonas

Recession affects office sector in several ways

DURING THE current recession, Scotland's economy has not been able to enjoy the support of a buoyant oil industry to the same extent as in the mid-seventies. Oil related employment in Scotland is probably twice the level it was five years ago but it is no longer a rapidly expanding sector that can absorb the slack elsewhere in the economy.

So Scotland's economic fortunes this time round are following along the lines of the rest of the UK to a much greater extent. The office sector is therefore inevitably feeling the impact of recession although this is manifesting itself in the three main centres — Aberdeen, Edinburgh and Glasgow — in different ways.

Aberdeen continues to thrive on the back of the oil and gas being pumped out of the North Sea. Employment in the oil sector has fallen outside Aberdeen over the last couple of years, but in Aberdeen it continues to expand. Yet the Aberdeen office market is at present facing some oversupply.

Edinburgh, the traditional business and administrative centre of Scotland, is still shouldering the burden of overdevelopment in past years and the market remains dull. Glasgow on the other hand is suffering from a shortage of development of prime property and rents have continued to rise, pushing above Edinburgh in recent months for really good properties.

The Edinburgh office market has long suffered from oversupply Perhaps excited by thoughts of devolution and the bureaucratic army that would be bound to follow the inception of a Scottish Assembly, the developers got themselves busy during 1975-76.

Setback

After the heydays of the early '70s — new construction starts in 1972 were around 900,000 square feet — there was an obvious setback as the property sector woke up to reality. But the builders soon got going again and in 1976 around 500,000 square feet of new office space was started. But demand has not lived up to expectations, the referendum rejection scotched a lot of hopes, and consistently the stock of available space has crept upwards.

With this sort of background, rents for prime property, which reached £5 a square foot in 1976, have hardly budged at all.

Edinburgh's troubles have perhaps been exacerbated by the high number of Government departments in the area which have traditionally accounted for a significant proportion of floorspace take-up. With the general belt-tightening within the Civil Service the developers have found a less ready customer in the Government. Meantime, demand from the private sector has turned down in a general reflection of the economic climate.

But it is not all doom and gloom. Lettings in the second half of 1980 were not as poor as might have been feared. Figures compiled by Kenneth Ryden and Partners, chartered surveyors, show that lettings in the closing half of the year amounted to 102,350 square feet compared with 113,367 square feet in the first six months.

The same survey shows that available space at the end of the year amounted to over 800,000 sq ft giving some insight into the amount overhanging the market.

There have been a couple of recent lettings over 10,000 sq ft reported, including the 15,600 sq ft taken by Allied Breweries in Scottish Life's Orchard Brae House at a rent of £5 a sq ft. Standard and Chartered have also taken space in what is their first Edinburgh office.

But these are small beer in relation to the recent Post Office letting. The Trafalgar House / British Steel Pension Fund development at Dundas House amounting to 122,000 sq ft has recently been taken by the Post Office at an undisclosed price.

Agents, such as Jones Lang Wootton, are now becoming a bit more optimistic that development is tapering off to leave demand and supply in a better balance. But the erosion of the oversupply is likely to be gradual and so rentals are unlikely to respond yet.

The Glasgow office market is showing reasonably healthy signs given the recession. According to agents Bernard Thorpe they see no sign of the annual offtake of around ¼m sq ft slackening. They remain "optimistic." Kenneth Ryden on the other hand say that in "general terms there has been a drop in demand mainly as a result of the recession."

According to Ryden's recent survey, space let or sold last year fell from 181,094 sq ft in the first half to 153,720 sq ft in the second. Still the overall yearly figure is holding up well.

But both agents agree one of the key factors of the Glasgow market at present is the shortage of good quality space in the city centre, particularly small units. Larger units in the 15,000 sq ft to 30,000 sq ft range are finding a steady flow of takers and if there is any real weakness in the market it is probably in middle range. Demand for space in the 2,000 sq ft to 5,000 sq ft segment seems to have tailed off considerably in the second half of the year.

Smaller

Aberdeen has the oil industry and this is obviously reflected in the demand profile. The market is much smaller than Edinburgh and Glasgow and only some 60,000 sq ft of space was taken in the second half of 1980. The largest letting was to BNOC, which took some 20,000 sq ft in Imperial House.

The supply of space however has shot up. With several new developments and refurbishments completed the supply of available space in February this year stood at 250,000 sq ft according to Drivers Jonas—an increase of 50 per cent against a year ago. And this stock of unlet offices could well increase over the next few months.

Reflecting this current oversupply, rentals have steadied around the £6 a sq ft mark for well placed units, though some asking rents are now being pitched a bit higher at £6.50.

One major development for the area could follow the announcement that BNOC has, in principle, decided to locate at Aberdeen Construction Group's site at Hill of Rubislaw.

But when it comes to investment even the local institutions seem keener to look at property in the south-east of England than Scotland.

Scottish Amicable, for example, may have 23 per cent of its £150m property portfolio in Scotland, but this is influenced by the needs to have a head office rather than a statement of investment philosophy. This institution's property department is not keen on developing in Edinburgh because of the city's problems of oversupply and almost unmoveable rents. Glasgow perhaps has more promise and indeed there could be good opportunities for small unit development.

But when it comes to Aberdeen, Scottish Amicable, like many institutions, takes a more cautious view. What happens when the oil is gone? Perhaps Aberdeen is not for the cautious.

Terry Garrett

SCOTTISH PROPERTY FINANCIAL TIMES REPORT

One man's faith in an expanding future

THERE HAVE been one or two successes emerging from Ronnie Lyon's former property empire. The Atcost management buy-out looks to be well on the way to becoming one, and Mr. Allan Campbell Fraser may well be counted as another.

A former director of Lyon's Scottish property arm, Mr. Fraser has run Development Commercial and Industrial (Holdings) — DCI — since 1974 and the privately owned development company seems to have been able to find suitable locations and funding for a stream of industrial and commercial property schemes throughout the recession.

Convinced that Scotland will have an expanding future as a major manufacturing and commercial centre, Mr. Fraser has pushed ahead into several extensive city centre schemes.

One of the most recent, and arguably the most ambitious, is the £14m scheme to develop a shop and office project on the corner of Glasgow's Argyle *Street and Hope Street* following planning consent in February.

Acquired from Scottish Widows Assurance Company early last year, DCI is putting together the package to *build* a *six-storey* office block and nine retail premises fronting onto Argyle Street with a gross area of 73,221 sq ft. The shops on *the ground floor and basement* will take up 18,854 sq ft.

A banking hall and an eight-storey office block comprising a further 39,016 sq ft on the *Argyle Street and Wellington* Street corner will complete the development on a site which for years has been described as Glasgow's "Hole in the Ground."

Full circle

Events, then, have come full circle for it was the Lyon group *which started the development* demolishing the existing buildings before the property collapse of 1974 forced the project to be abandoned.

Much of DCI's effort in the past few years has been directed to the industrial sector. One of the latest estates to be completed was Tradeston in Glasgow's West Street, near the Kingston Bridge, at over 80,000 sq ft.

Like most of DCI's schemes, the project was forward funded, in this instance by the Courage Pension Fund which provided £1.5m. Other industrial schemes put together by DCI include the £2m *Monklands Industrial* Estate at Coatbridge, comprising 100,000 sq ft, beside the Baillieston Interchange.

On the opposite side of the *Clyde to* Tradeston, DCI has completed the £1.5m St. Andrew's Industrial Estate in Pollokshaw Road.

Increased emphasis on commercial and retail involvement has changed the mix of development from predominantly factory and warehouse interests to the point where each major constituent of the property *market is equally balanced.*

Scheduled for completion next *spring* is the £2.3m office development in West Regent Street, Glasgow, while the £5m shopping complex adjoining the Guildhall in Perth High Street is almost entirely let.

Mr. Fraser claims that, since 1974, DCI has succeeded in attracting £22.5m investment in *Glasgow* and an *additional* £26m to Scotland as a whole. With the Courage Pension Fund, the company has worked alongside other leading institutions such as Commercial *Union Assurance*, the *Great* London Pension Fund and the Reed Pension Fund.

DCI is primarily a development company and holds back very few sites for investment. Its accounts for last year are still subject to audit but profits of just under £300,000 in 1979 are confidently predicted to be *very much increased, although* Mr. Fraser is determined to "plough it back in stock and work-in-progress." He says the group has about £30m of work on hand with "much more *in* the pipeline."

The Argyle Street site, however, is a probable exception. Convinced of the rental growth inherent in prime retail projects, DCI intends to hold the shops in this development until the first review "when those shops will shoot up."

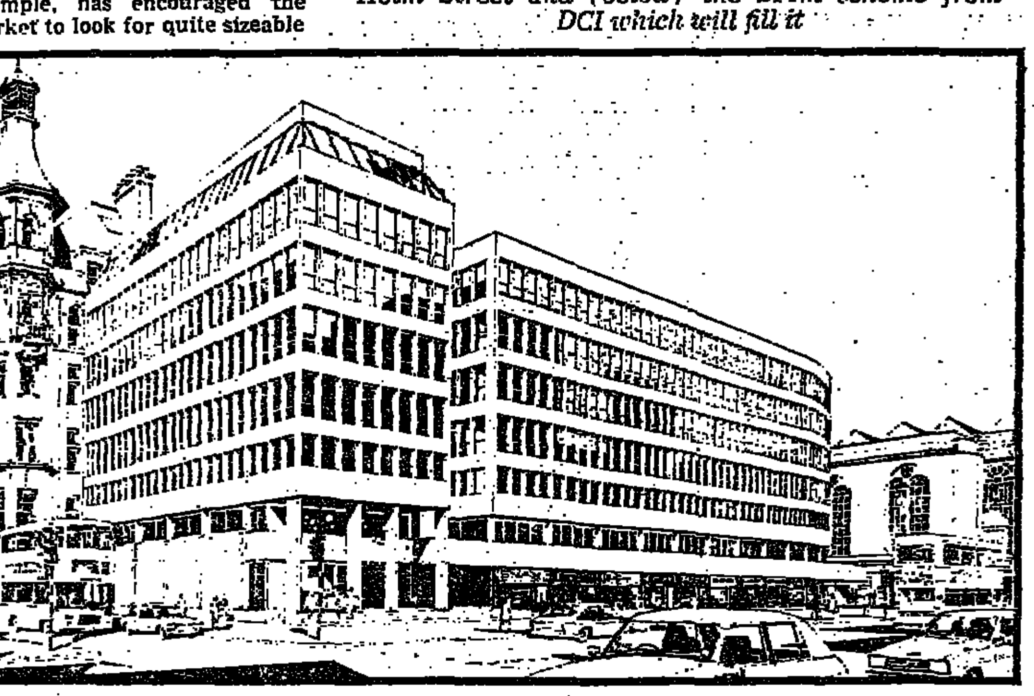
Mr. Fraser finds particular encouragement from the level of demand in what he describes as Scotland's "secondary towns"—Perth, Ayr, Falkirk and Stirling, for instance, are "boom towns *by Scottish standards*" with the funding institutions willing to put a lot of finance into the high street.

His own experience in Perth appears to confirm this buoyancy. Advised two years ago that each unit would obtain rents of *£18,000, Mr. Fraser pushed for* £28,000 per unit initially but was finally able to let at an average of £32,500.

Many of the old "Grand *Victorian" facades* are being retained with a "heavy, banking hall type entrance" because of the influence of conservation.

He and other developers have also been surprised by the strength of the office market in the major cities. The incidence of accounting and other professional firm mergers, for example, has encouraged the market to look for quite sizeable lets.

Glasgow's "hole in the ground" bounded by Argyle Street, Hope Street, Wellington Street and Holm Street and (below) the £14m scheme from DCI which will fill it



With the British National Oil Corporation and local authorities still said to be in the market, lettings of about 30,000 sq ft are in demand.

Mr. Fraser believes that rents for prime offices are touching £6 per sq ft against £4.50 a year ago, although he warns that this level will probably take another year to become fully established.

But at least the institutions are accepting £6 per sq ft as a base rent. Yields are about 5 per cent, possibly 5½ per cent, for a *prime pre-let site.*

He agrees "there is a lot of slack to be taken up" in many areas of the property market. But the company has not experienced any easing of institutional demand in the property market and the abolition of exchange controls in the autumn of 1979 has had no effect on the flow of funds argument for rising values.

But the industrial market is only responsive to developments in the very best locations and Mr. Fraser agrees with many Scottish estate agents that speculative factory and warehouse projects are usually shunned by potential institutional partners.

Perhaps the agents have been a little optimistic when putting a £2 per sq ft rental on "modern" industrial properties. DCI says nursery units can obtain between £2 and £2.50 per sq ft—occasionally rising to £3 per sq ft—because of the increased management responsibilities and lack of covenant.

Larger units are not rising much above £1.85 per sq ft, however, and yields on speculative or only partly let schemes are about 8-8½ per cent. But pre-let schemes in very good sites, however, yield between 6¼-6½ per cent. Mr. Fraser sees steady but slow improvement here but admits the market is not so active as it was a year ago.

Ray Maughan

Fall in profits leads to drop in demand

AFTER THE almost unprecedented boom in the retail property market in Scotland last year, when the demand for space pushed rents to premium levels, 1981 has started slowly.

Agents report a good demand for space in most areas, and it is not confined to the big cities. Smaller towns, such as Perth, Stirling, Inverness and Dumfries are sharing the experience.

But the recession is beginning to take its effect and the reduction in consumer spending *has meant a corresponding fall* in retailers' profits and an unwillingness to pay above the going rate for the best sites.

"The demand is still there, *but now we have two or three* people chasing one property rather than half a dozen as we did last year," says Mr. Richard Sykes of Richard Ellis and Partners' Glasgow office.

The experience of Kenneth Ryden and Partners, the Edinburgh surveyors and agents, is a little different, but reflects the same trend. "The downturn in the economy has meant that some companies have withdrawn from new developments without taking occupation," they say in their latest property *market review.*

"Although retailers are being more selective, there are still many who, taking an optimistic view of the long term, are pressing ahead with their expansion programmes. Prime units in the major and provincial centres are, therefore, taken up quickly."

As demand has moderated, so the growth in rents has slowed. But it is interesting to see how the boom in Scottish retailing has increased rents relative to other parts of the *country*. Princes Street, Edinburgh, still regarded by many as second only to London's Oxford Street as the prime retailing site in the UK, has held up well in the face of the recession.

"A sign of the times is the number of properties which have become available on Princes Street in the last year compared to less recent times when a "To Let" board could only be a mirage," says Fran O'Toole of Conrad Ritblat and Co.

"*A sign of the strength of the* street was the enormous interest expressed in anything that came onto the market. Roughly speaking it could be said that three years ago rents in Princes Street were about one-third of those in Oxford Street. The fraction is now about half, with Princes Street costing £100 a foot of frontage with a depth of 30 ft."

Over the same period rents all over Scotland have increased *faster than inflation. The best* sites in Inverness cost £30 compared with £16 three years ago (per foot of frontage for a 30 ft depth). In St. Andrews, rents have risen from £5 to £12 and in Stirling's new Thistle Centre the growth has been an impressive £8 to £25.

Nor is it only the best sites or the most prosperous towns that are benefiting. Rydens point to good rental growth in secondary locations in Edinburgh and Glasgow and strong interest in developments in *Cumbernauld*, Stranraer and Peterhead.

New areas

The continued strength of the *retailing sector has* encouraged a number of schemes to provide new areas for shopping space. The most important is the £40m redevelopment of the St. Enoch station site in the centre of Glasgow.

The Scottish Development Agency, which is undertaking the work, already has planning permission in principle. It hopes to have detailed permission and to begin building by the end of the year. At the centre of the development is a 275,000 sq ft office *block scheduled for* occupation by Ministry of Defence workers whose jobs are being transferred to Scotland as part of the Civil Service dispersal programme.

The Commons Select Committee on Scottish Affairs has recommended that, to speed up the dispersal programme, the Defence workers should be housed in a different block at Anderston, a short distance away, which would be ready sooner. A decision on this is expected shortly from the Secretary of State *for Scotland, but* it seems likely that he will stick to the original plan.

Mr. Sykes, whose office will act as letting agents for the Scottish Development Agency, is certain that whatever the Scottish Secretary's decision, other parts of the development, such as a 250-bedroom hotel, 100 private houses, car parking and a major shopping complex with 210,000 sq ft of retail space, will go ahead. He is already in discussion with "anchor" tenants.

Some people have suggested that the large amount of space made available at St. Enoch's *will prove too much for* Glasgow and will certainly remove the need for a redevelopment of the Buchanan Street area, which has been mooted for some years and would provide another 500,000 sq. ft of shopping area.

But Richard Ellis and Partners disputes this on the basis of a survey commissioned last year from the international consultancy firm of Larry Smith. "The conclusion of the study challenged the planners' opinion," says Mr. Sykes. "It indicated that the St Enoch *scheme was well below what was* required and even if the Buchanan Street scheme went ahead the market would not be swamped."

Large-scale developments are also being planned or started elsewhere in Scotland. Clydebank and Livingston, both of which have modern town centres, are extending them and in Aberdeen several proposals could change the face of the main shopping area.

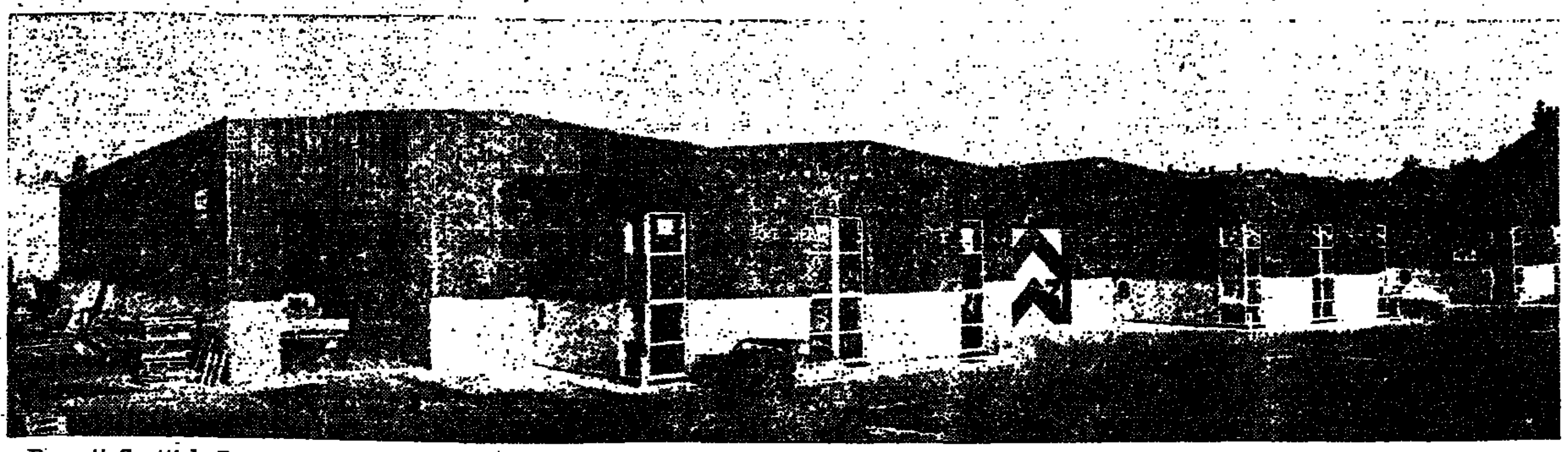
The local authority, in conjunction with developers Bredero, *has proposed a scheme* for the George Street area which would provide an extra 300,000 sq ft. But although it is nearly a year since the public inquiry, final consent has not yet been given by the Secretary of State.

A second scheme, by Atholl Investments, would provide 200,000 sq ft in Union Street. However, the developers have not yet decided to go ahead in spite of planning permission being given.

The most important retail site awaiting development in Edinburgh is the former Waverley Market on the south side of Princes Street. It will be a low-rise development and probably best suited to small shops *because of its position on the* "unbuilt" side of the street. A tourist information centre run by the City Council will form *its* centre and will probably determine the character of the shops around it.

Ray Perman

SCOTTISH PROPERTY FINANCIAL TIMES REPORT



Barratt Scottish Properties' 30,000 sq. ft. light industrial and warehouse development in Aberdeen. Tenants include Lucas Industries. Joint agents were Bell-Ingram and Drivers Jonas

Capacity cuts put factories on market

THE EFFECT of the reconstruction of the Weir Group, Scotland's largest engineering company, has certainly been to save jobs in an area blighted by high unemployment. But does this rescue by the banks and other funding institutions merely mean the recession has not been allowed to steepen or should it be taken as a sign that recovery is on the horizon?

There are tentative signs that the clouds may indeed be about to lift, but recession has dealt some heavy blows to the factory and warehouse markets in large tracts of Scotland's industrial heartland. And even if the more optimistic economic pundits prove right, it will be some time before the boom conditions of 1978 and 1979 return to the sector.

The slump has forced many manufacturers to reduce some of their capacity. These shut downs may be more permanent than expected. In the past capacity might be merely mothballed as industry waited for stop-go tactics to prime the Government's spending pump once more, but now companies appear to be taking strategic decisions to slim once and for all.

It seems quite possible that former tenants, having pruned their operations, will not be coming back to re-occupy premises in similar locations. This is because the events of 1980 showed all too clearly that demand will not return on sufficient scale to support the previous overheads structure.

Weir was almost certainly too big and too important to allow to go under. But the rate of business failure has been rising and a large number of factory premises have been coming onto the market through forced sales.

Demand for new premises is low in such circumstances and Scottish agents say the rate of sale and leasebacks in the Glasgow area has been rising rapidly. Companies which can afford expansion are taking their time to make spending decisions, and over-supply usually means they can obtain suitable sites well below the levels demanded 18 months ago.

Put on ice

Much new development has been put on ice. Agents Kenneth Ryden and Partners estimate that in Glasgow and the West of Scotland there was 397,000 sq ft of industrial or warehouse accommodation on the drawing board at the beginning of the year, but "proposals for the bulk of this accommodation will not be implemented until the economic climate has improved."

Ryden cites the reluctance of funding institutions to embark on speculative industrial developments as one of the main causes of deferred development. It may also be that developers back off because they fear a renewed explosion of building cost inflation.

However, conditions are competitive at present, and some construction company chairmen believe the rate of building industry wage inflation will be running at a single figure annualised rate after the summer wage round—and the huge stocks in the building materials pipeline will take a good deal of shifting.

New developments look like coming onto a sticky rental market.

There was estimated to be about 530,000 sq ft of factory and storage space under construction, or vacant, at the end of 1980 in the West of Scotland, and rental levels for new accommodation have stabilised between £1.70 and £2 per sq ft.

In the East of Scotland Edinburgh rentals of £2.00 per sq ft have been seen. It is, nevertheless, noticeable that a two-tier market has been emerging with premises completed in the last few months commanding as much as £2.15 per sq ft while sites finished in 1979 or early in 1980 can only command up to £1.80 per sq ft.

Rentals in the top tier are thought to be sufficient to give a developer an economic return on building costs although Ryden is not entirely convinced that such levels will always be achieved.

Reviews also tend to be a gamble. Some tenants are encouraged to take space with the carrot of a two-year rent-free holiday or with a reduced rental over the first five-year reversionary term.

Rental growth

Aberdeen is one area of Scotland where rental growth should be strong, especially after the seventh round licence allocations. Indeed, agents Drivers Jonas say sales and lettings of industrial space totalled almost 370,000 sq ft in the six months to the end of February 1981—a rise of about 85 per cent on the level recorded in the previous half year. However, take up over the full year has fallen within the range of 500,000-700,000 sq ft recorded consistently for the past five years.

Ryden found that at year end the amount of new unoccupied industrial space had fallen 12 per cent. But there was still about 470,000 sq ft of new space available in Aberdeen with a roughly equal amount of old accommodation unlet.

Rents appear to have stabilised at about £2.00 per sq ft in most instances—although there are favourable exceptions—and supply is likely to outstrip demand in the immediate future.

While there is oil, and more exploration licences in the pipeline, there is hope. Rents of £23,750 for each of four 10.500 sq ft units are being sought at a development which the Pru recently completed at Dyce West Aberdeen.

But there is little, if anything, the developer can do to "flog" a browbeaten manufacturing sector back into adventurous expansion. Although at least one feature of the Scottish rental market, as elsewhere, is the effort often made to improve services to tenants by installing utilities and offices on industrial estates.

The clamour against spiralling local authority rates is no less audible in Scotland than in other parts of Britain. In many cases—particularly multi-storey accommodation—rates are well above the open market rental value.

Ray Maughan

House prices begin to move ahead

SPRING HAS come to Scotland, the flowers are in bloom, trees in blossom and house prices *are beginning to move.*

The Royal Institution of Chartered Surveyors estimates a 5 to 10 per cent increase in the last quarter, after a long, flat period. Bernard Thorpe and Partners' Glasgow and Edinburgh offices put the rise at 10 per cent and Glasgow estate agents Slater, Hogg and Howison put the figure at between 5 and 7 per cent.

The only dissident voice comes from the Nationwide Building Society which, in its latest survey of price movements, detected a 2 per cent fall in Scotland compared to the last quarterly period.

However, leaving aside that discrepancy, the most interesting question is: Do these prices indicate merely a seasonal fluctuation in the market or do they herald a permanent upturn?

There is good reason to expect a steady increase in real house prices in Scotland in the long term. The level of owner-occupation is very much lower than it is in the remainder of the UK, but the level of incomes has risen so that it now at least equals that of the country as a whole. As tenants in council and privately-rented accommodation have become better off, so they have been aspiring to buy their own homes.

The stock of houses for sale has been growing, but not fast enough to keep up with the demand. So real prices have risen. Since 1972 the average price of a home in Scotland has increased nearly four-fold (from £6,200 to almost £24,000) while the retail price index has tripled.

For at least the last nine months the market has been very sluggish, probably because of the pressure on building society funds and high interest rates. But now that rates are falling, will the ascent of prices resume?

The experts are divided. Mr. Frank Walker, of the RICS in Scotland, sums up two very different reactions in the profession. "*Estate agency members* of the institution say they are seeing a repeat of what happened last year when there was a 10 per cent rise in the first quarter. Many believe that the 1980 pattern will continue, with the market levelling out and buyers again in command.

"On the other hand, some agents are more confident, believing that the present spurt may continue because of pent-*up demand and the fact that* house values have fallen behind general inflation. This quarter's reports indicate high activity in the Aberdeen and Dundee areas, Edinburgh middling to good, Glasgow more mixed."

The rise in prices that has occurred so far this year is probably a result of the easing of the mortgage position. Real incomes for those in work remained high last year and the attractive levels of interest being paid to depositors by the building societies ensured a good inward flow of cash.

Changing

First-time buyers found it easier to obtain loans which is being reflected in the higher-than-average price increases *for small flats and houses. One-* and two-bedroom flats have risen by 15 per cent in some areas this year.

But there are signs that the position is changing. March was a poor month for building society receipts and increasingly the societies are having to compete for funds with the Government as well as with the banks and other savings *institutions.*

Real incomes remained high last year, but the Government's determination to hold pay rises below the level of inflation and the growing level of unemployment reduce the amount of spare cash families have.

Other factors will also dampen activity in the housing market. Local authority rates will rise by far more than the *rate of inflation* this year, deterring some home owners who would otherwise have "traded up" to larger or more desirable properties. Rate increases of 50 per cent are not uncommon and one authority—Dundee, where the Labour Council is defying the Government's spending cuts policy—is lifting its rates by 150 per cent.

The higher rate rises tend to be in the cities, but rural areas will suffer from the 20p increase in the excise duty on petrol imposed by the Chancellor in the Budget. Over the short-term the demand for properties on the edge of Scottish cities and for country houses within commuting distance of the main commercial and industrial centres is very sensitive to rises in the cost of motoring.

There are some indications that out-of-town estates are suffering, although demand for the more expensive country houses with land attached is still good.

The level of new housebuilding in Scotland has been declining since the start last year. Private sector building overtook the public sector provision of new homes only as recently as 1978, but it has dropped markedly as a result of the recession and it could be some time before a recovery is seen.

This year is also unlikely to see much activity in the public sector. The Scottish Office has clamped down hard on those Labour - controlled housing authorities which refused to increase council house rents in line with Government policy.

Mr. George Younger, Secretary of State for Scotland, announced at the beginning of *April that £35m was being cut* from the provisional housing allocation for 1981-82 and the burden has fallen very heavily on a handful of large authorities such as Glasgow, Dundee and Aberdeen.

Ray Perman

LOMBARD

Europe worrying about the U.S.

BY DAVID MARSH

AS THE Finance Ministers and central bankers from the big five industrialised countries arrived for their Palm Sunday parley in London earlier this month, the real news was taking place elsewhere.

The regular Friday money supply figures from the New York Fed showed a big surge in the mystical M1B and up again shot U.S. interest rates—reducing calls at the London gathering for "interest rate disarmament" to a shadowy irrelevance—as American financial markets reacted to the likelihood of fresh credit tightening action from the Federal Reserve.

With the Reagan Administration determined to screw down monetary growth but set upon ballooning the budget deficit through the supply-siders' tax cuts, the New York credit markets are resigned to a continuing squeeze. The mushroom cloud of high U.S. interest rates over the world economy looks likely to remain in place for months to come.

Warning

The practical men in New York doubt the forecasts of Mr. Beryl Sprinkel, the truculently monetarist Treasury Under Secretary, that interest rates will come down quickly as the Fed sticks to its monetary guns, inflationary expectations are broken and the (still to be decided) tax cuts translate miraculously into both higher savings and economic stimulus.

Mr. Anthony Solomon, president of the New York Fed, has already publicly warned of market pressures that could stymie vigorous and sustainable economic growth unless tax cuts are carefully tailored to reductions in public spending.

Mr. Sprinkel believes that the increased deficit resulting from tax cuts will have little effect on interest rates as long as monetary growth is held in check.

The consensus of views among banks polled in New York is however (a) for the economy to remain generally flat this year, (b) for only minor reductions in inflation (still round the 10 per cent level by year end) and (c) for interest rates to be the same at Christmas as they are at Easter.

Now that the policy has been implemented, but without the fiscal cuts that they thought was part of the bargain, Europe is getting the worst of both worlds—higher inflation through the effect on import prices of an appreciating dollar, and a more severe economic downturn caused by the need to keep nominal interest rates up to approaching U.S. levels.

Unlike 1978—the year of the Bonn Summit package deal—no one this time is in the mood to play locomotives to pull the world enocomy out of the sidings of recession. This time round, there is an even bigger load to pull—the developing countries, burdened by dear oil, dear money and depressed demand, are in the guards van with the brakes full on.

The best hope for avoiding complete derailment seems to lie with the points-switchers who were responsible for shunting the train on to the wrong track in the first place.

The Organisation of Petroleum Exporting Countries, according to well-informed observers of the international scene in New York, could see their surplus falling to perhaps \$60-\$70bn this year from \$100-\$120bn last year if a number of favourable developments hold. First, oil prices would have to go on falling under the impact of much reduced world demand. Second, Iraq and Iran would have to end the war and step up oil exports. Third, oil conservation efforts would have to continue.

Among other beneficial effects, a reduced OPEC surplus would allow a sharper reduction in the German current account deficit and enable the Bundesbank to worry less about the D mark and more about economic recovery.

Beneficial

One tentative staw in the wind is that the Saudi Arabians have made their recently agreed contribution to the International Monetary Fund's financing programme-dependent, in later years, on the continuing strength of their balance of payments. The possibility that the Saudi surplus could fall sizeably is being taken seriously.

It might not look much to hope for but if the world could manage even a near repeat of the post 1973-74 job of whittling away the OPEC surplus, then an awful lot of other problems would look less dire.

Mobilising water resources

BY LORNE BARLING

AROUND BRITAIN

SEVERN-TRENT

THE SUPPLY of water to the country's homes and factories, once a relatively humdrum occupation, has been drawn into the hurly-burly of inflation, inquiries, protests and politics. At least this is the unfortunate position of the Severn-Trent Water Authority, shortly to be reported on by the Monopolies Commission.

Critics of the authority tend to see it as an uncontrollable monolith, created out of 236 smaller areas, which has allowed water rates to soar (by 400 per cent since it was formed in 1974), with scant regard for its customers.

The authority naturally sees things differently, claiming that it inherited a legacy of largely unworkable plans and a clumsy network of existing water resources, which it proposes to rationalise at a cost of £110m over the next 10 years.

It admits that its water charges in Birmingham have soared since 1974, but points out that it was necessary to bring charges in line throughout the Severn-Trent area, since the city could not benefit forever from the forethought of its Victorian fathers who built reservoirs in Wales.

Rugby, for example, served by a new reservoir on which interest charges have to be met, was paying eight times as much as others for its water, and the authority sought to even out the burden.

Stretching virtually from Wales to East Anglia, the authority's statistics are predictably impressive if size is the yardstick. It employs more than 10,000 people, covers ten counties, is responsible for 24,000 miles of water mains, 1,500 sewage pumping stations, 60 major water treatment works and 2,500 miles of rivers.

Industrial decline and the changing nature of manufacturing in the Midlands means that water demand is not increasing as fast as predicted, and the authority believes it can save around £10m by implementing a more modest scheme than previously planned which will provide 25 per cent more water by the end of the century.

The basis of the project will be to avoid building expensive reservoirs, which are also environmentally unpopular and concentrate on moving water around the region, through pipelines and rivers, to meet demand as it occurs. A major innovation will be the £10m pipe-line linking Coventry, Nuneaton and Leicester, which can take water in either direction.

Another novel approach is to "store" water underground by sinking dozens of boreholes in Shropshire and pump it into the River Severn when necessary. This will cost £11m and allow more water to be taken from the river.

However, farmers and conservationists have objected to this scheme, partly through fears that crops could be affected by a reduction of water in the ground, and the result of a public inquiry is awaited. The authority claims the fears are not warranted and says the only evidence of boreholes will be a metal box about the size of a filing cabinet with a fence around it.

Although a major reservoir at Carsington, near Ashbourne in Derbyshire, is going ahead to meet potential shortages in the East Midlands, another planned for Longdon Marsh, near Tewkesbury, will not. Local opponents never quite believed it would happen, but conservationists are relieved. They point out that any reservoir is damaging to wild-life.

Nevertheless, the authority does not escape criticism from the Nature Conservancy Council, which points out that by transferring water from one river or area to another it is possible to transfer disease, due to the differing chemical and biological nature of water from various sources.

The West Midlands region of the council admits that its aims are often fundamentally in conflict with water authorities; one prefers water to stay where it is for the benefit of flora and fauna, while the other wants it to move down-hill, preferably fast.

"We would criticise Severn-Trent for generally adopting too mechanical an approach to water courses. They often want to turn beautiful unspoilt stretches of river into straight-sided drains," the council said.

Although the Midlands is generally well endowed with water, and hardly suffered during the 1976 drought, demand from homes is increasing fast, due to the smaller numbers of people in each household, more dishwashers and appliances and greater use of water for gardening.

But factories appear to be using significantly less, owing to the decline in heavy industry such as steel-making, with the result that the ambitious plans to spend £100m on enlarging the Craig Goch reservoir in Wales will now be shelved.

Another aim of the authority's alternative scheme is to "use nature" to transport water, avoiding expensive pumping costs, since energy is its biggest expense after manpower. Another increasingly costly item is chemicals used for water treatment.

Last year the authority initiated a phased investigation of the energy needs of all its supply installations, and efforts are being made to reduce charges through the installation of more efficient systems.

With the average domestic consumer in the area now paying £59 a year in water rates, there is considerable pressure on the authority to keep charges down.

The £110m in capital investment, to be spent relatively slowly over a period of nearly 20 years in line with increasing demand, will come directly out of income. The authority's annual budget is now just below £300m.

Few serious criticisms are expected to emerge from the inquiry or of the long-term plan, which in any case is hardly irrevocable since it has effectively taken six years to devise and will doubtless be subject to changes over its lifetime.

Although there remain serious critics of Severn-Trent, particularly in relation to its size and charges, there is little doubt that the planning of water supply can be more effectively achieved by one large body than numerous small authorities.

Detractors also have an identifiable target for their complaints.

Sulzano should make it a hat trick

RACING

BY DOMINIC WIGAN

NEWMARKET stables mount a formidable challenge at Newcastle where Harry Wragg, Michael Jarvis, William Hastings-Bass and Clive Brittain, all field strongly fancied runners for XYZ Handicap today.

Backers seem best advised to rely on the still improving Hastings-Bass representative, Sulzano, in spite of the 6 lb penalty the Rheingold colt incurred last time out.

A poor juvenile, Sulzano has gone from strength to strength this season. Initially placed in the south of France, the bay, a handsome son of the Ribot mare, Ribasha, has since made the winner's enclosure on successive occasions.

I was particularly impressed with his recent display at Newmarket. Always travelling well within himself in the Crown Plus Two event Sulzano had matters very much in control throughout the final two furlongs and was not flattered by the one and a half lengths' margin of his success over Jungle Jim.

In receipt of 12 lb from the runner-up there, Sulzano will clearly need to put his best foot forward if he is to plunder today's listed prize worth £12,500. He will be hard pressed to achieve the hat trick, but I suspect he may just prevail over Six Mile Bottom from whom he receives 21 lb.

Twenty five minutes before the big Gosforth Park prize, Galveston will be on duty for Hastings-Bass in the Sandown Cup.

Lord Derby's four-year-old made a mockery of the weights for the Rosebery Handicap at Kempton on Saturday; pulling clear in the final quarter mile.

With Wind Catcher and Sacrilege both having been pulled out, Galveston has only Decorative, Sun of Schweppes and Wearmouth to beat.

He should have no problems.

Another sound looking proposition, on the Esher course, is Neat who tackles Home Coming and the well thought of Hard to Say in the 77th Renewal of the Tudor Stakes.

NEWCASTLE
3.30—Sulzano***
4.00—Siconda
4.30—Yorkshire Dancer
5.00—Chef Marcel

SANDOWN
2.00—Fimi**
2.30—Neat*
3.05—Galveston
3.35—Imperium
4.10—Angevin
4.45—Goody Goody

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. S 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA Tonight & Thurs 7.00: JULIUS CAESAR. Tomor & Wed 7.30: ARIADNE AUF NAXOS. 104 balcony seats avail on day.

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WAREHOUSE. Donmar Theatre. Earlham Street. Covent Garden. Box Office 836 6808. ROYAL SHAKESPEARE COMPANY ...

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.45 Roobarb. 9.50 Jackanory. 10.05 The All-New Popeye Show. 10.25 Why Don't You . . . ? 10.50-11.00 Play Chess! 12.42 pm Regional News for England (except London). 12.45 News. 1.00 Pebble Mill at One. 1.45-2.00 Mr. Benn. 3.25 Trem. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Captain Caveman. 4.30 Jigsaw (Bafta Award Winner). 4.55 Newsround Extra. 5.10 Rentaghost. 5.35 Fred Basset.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
7.00 A Question of Sport.
7.30 "Carry On Cowboy," starring Sidney James.
9.00 News.
9.25 Starsky and Hutch.
10.15 Issues and Answers (London and South-East only).
10.45 News Headlines.
10.50 The Late Film: "Mahler," starring Robert Powell.

All Regions as BBC 1 except as follows:—

Cymru/Wales—1.45-2.00 pm O Dan Y Mor. 5.10-5.40 Florida. 5.55-6.20 Wales Today. 7.00 Telediad Gwleidyddol. 7.05 Heddiw. 7.35 Trem. 8.00 Rolf Harris Cartoon Time. 8.30-9.00 Terry and June. 10.15 Music Makers. 11.15 News for Wales. 11.16-12.56 am The Late Film: "Dial 'M' For Murder."

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.15 The Beechgrove Garden. 10.45-10.50 News for Scotland, National News.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15 Spotlight. 10.45-10.50 News for Northern Ireland, National News. 12.45 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North-West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth). 10.15-10.45 East (Norwich) Weekend; Midlands (Birmingham) Weekly Echo; North (Leeds) Success Story; North-East (Newcastle) Coast to Coast; North-West (Manchester) Home Ground; South (Southampton) Radio Radio; South-West (Plymouth) Jobwatch; West (Bristol) Polished Brass: The Sherborne Town Band.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.00 pm Tennis: Three Fives Hardcourt Championships.
4.50-6.55 Open University.
6.55 China: The Emperor's Immortal Army.
7.40 Mid-evening News.
7.50 Impressions.
8.00 Gardeners' World.
8.25 South Africa's White Election.
9.00 Call My Bluff.
9.30 Playhouse.
10.20 Tennis highlights.
10.50 Newsnight.
†11.35 The Outer Limits.

BBC 2 Wales only—12.30-12.35 am Party Political Broadcast (in Welsh) on behalf of Plaid Cymru.

LONDON

9.30 am Nature of Things. 9.55 Patterns. †10.20 "Very Important Person," starring James Robertson Justice, Leslie Phillips and Stanley Baxter. 12.00 The Magic Ball. 12.10 pm Once Upon a Time. 12.30 The Television Programme. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Take the High Road. 2.00 After Noon Plus. †2.45 Friday Matinee: "Thirteen Frightened Girls," starring Kathy Dunn. 4.15 Five Magic Minutes. 4.20 The Adventures of Black Beauty. 4.45 Freetime. 5.15 Clapperboard.

5.45 News.
6.00 Thames News.
6.30 Thames Sport.
7.00 Sale of the Century.
7.30 The Incredible Hulk.
8.30 The Other 'Arf.
9.00 World Cup Show Jumping
10.00 News.
10.30 Benson.
11.00 The London Programme.
11.35 Have Girls Will Travel.
12.30 am Close: Personal Choice with Leonard Parkin.

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am Tarzan. 10.00 Friends of My Friends. 10.45 Star Parade. 1.35 Kum Kum. 1.20 pm Anglia News. 2.00 Houseparty. †2.25 Friday Film Matinee: "The Card," starring Alec Guinness. 6.00 About Anglia. 7.30 Vegas. 10.30 WKRP. 11.00 "Where's Jack?" starring Tommy Steele. 1.15 am Your Choice.

ATV

9.30 am George Hamilton IV. 9.55 Bailey's Bird. 10.20 The Wild, Wild World of Animals. 10.40 The Adventures of Niko. 11.05 International Darts (The Best of Butlins '81). 1.20 pm ATV News. 2.45 Movie Matinee: "A Man Called Flintstone." 6.00 ATV Today 7.30 Vegas. 10.30 Soap. 11.00 ATV News. 11.05 Charlie's Angels.

BORDER

9.35 am Coral World. †10.25 Morning Cinema: "Bud Abbott And Lou Costello In Hollywood." 11.45 Larry the Lamb. 1.20 pm Border News. 2.45 Friday Matinee: "Dangerous Mission," starring Piper Laurie. 6.00 Lookaround Friday. 6.30 Out of Town. 7.30 Vegas. 10.30 The Book Programme. 11.00 Soap. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. †2.45 The Friday Matinee: "Wonderbar." 6.00 Channel Report. 6.30 All That Jazz. 6.55 What's On Where. 7.30 Vegas. 10.28 Channel Late News. 10.36 Soap. 11.05 Quincy 12.05 am News and Weather in French.

GRAMPIAN

10.05 am First Thing. 10.10 Larry the Lamb in Toytown. 10.20 Focus on Wildlife. 10.50 Spiderman. 11.10 Chopper Squad. 11.55 Cartoon Time. 1.20 pm North News. 2.45 Friday Matinee: "A Man Called Flintstone." 6.00 North Tonight, including Sportscall. 7.30 Vegas. 10.30 Police Story. 12.15 am Seachd Laithean presented in Gaelic by Angus Peter Campbell. 12.30 North Headlines, Road Report.

GRANADA

9.30 am Wildlife in Crisis. 9.50 The Flintstones. 10.15 Chopper Squad. 11.00 Sesame Street. 1.20 pm Granada Reports. 2.45 Friday Matinee: John Gregson in "Conflict Of Wings." 6.00 Granada Reports. 6.30 Kick Off. 7.30 Vegas. 10.30 A Week on Friday. 11.00 Soap. 11.30 After All That, This. 11.40 For Adults Only: Christopher Plummer in "Lock Up Your Daughters."

HTV

"Inferno In Paradise." 6.00 Report West. 6.30 Welcome Back Kotter. 7.30 Vegas. 10.28 HTV News. 10.35 "Your Chance" Extra. 11.20 Soap.

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Ffalabalam. 4.15-4.45 Iaith Anifeiliaid. 6.00 Y Dydd. 6.12 Report Wales. 6.25-6.55 Welcome Back Kotter. 6.55-7.00 Party Political Broadcast on behalf of Plaid Cymru. 10.35-11.20 Outlook.

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

(S) Stereophonic broadcast
‡ Medium Wave

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.00 Star Wars. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell. 5.30 Newsbeat. 5.45 Roundtable with Mike Read. 7.30 Anne Nightingale. 10.00-12.00 The Friday Rock Show (S).

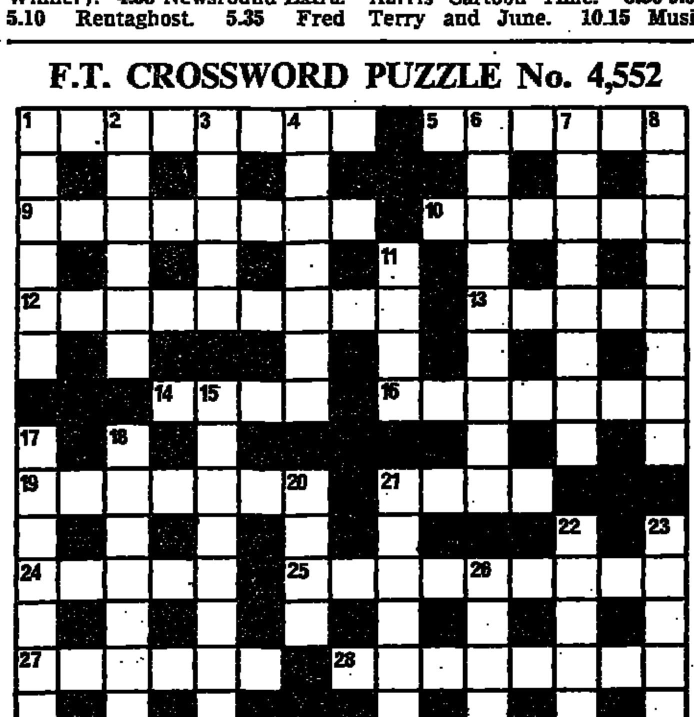
RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Susannah Simons (S). 12.00 David Hamilton (S). 2.00 pm Ed Stewart's Request Show (S). 4.00 Much More Music with David Symonds (S). 6.00 John Dunn (S). 8.00 Sequence Time at the Radio 2 Ballroom (S). 8.45 Friday Night Is Music Night (S). 9.55 Sports Desk. 10.00 The Little and Large Party. 10.30 The Organist Entertains. 11.02 Sports Desk. 11.05 Peter Clayton with Round Midnight, including 12.00 News. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

RADIO 4

F.T. CROSSWORD PUZZLE No. 4,552



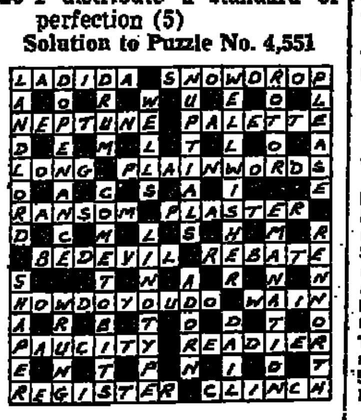
ACROSS

1 Check bird holding key (4-4)
5 Agree when posted (6)
9 Left star performer to sing noisily and it could be harrowing (8)
10 Delight with exercises around meadows (6)
12 Drink beer with fan (9)
13 Seize or decoy and bend into shape (5)
14 Not so much in the French ship (4)
16 One who should become a fortunate female (7)
19 Rich soil and a mortar of cement in front of thoroughfare (7)
21 Form of weather signal, man-made and natural (4)
24 Military standard that's below par (5)
25 Vehicle I left with mature gristle (9)
27 Incorrectly beat silver that would be more suitable for infusion (3-3)
28 Gambler needs game and unusual rest (8)
29 Corrupt yet famous row (6)
30 Having a tendency that's oblique (8)

DOWN

1 The sound of soda-water? (6)
2 Capture, hold and engage the thoughts (6)
3 What's put in a hold to make automobile run (5)
4 An impulse to steer at you and me (7)
6 Act of choosing the likely winner (9)
7 Inspector, formally a collier (8)
8 Enter unlawfully and sin (8)
11 Shrewd part of a foot (4)
15 Acquit without one charge (9)
17 Tone of voice, or it could be a sparrow (8)
18 Tame grin given by one who goes abroad (8)
20 Insect seen on a bed (4)
21 Short article in screen (7)
22 Secure a way in morass (6)
23 Was in doubt about soldiers turning up in meal (6)
26 I distribute a standard of perfection (5)

Solution to Puzzle No. 4,551



FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

THE ARTS

Cinema

It's an ill wind . . . by NIGEL ANDREWS

Foxes (AA) Odeon St. Martin's Lane
Rough Treatment (AA) Camden Plaza
Scanners (X) Rialto
Manila (X) Gate 3, Camden Town
New Zealand Cinema National Film Theatre

No one scanning the tea-leaves in Beverly Hills a year ago could have prophesied that the election of Ronald Reagan to the White House would boost the career of teenage film star Jodie Foster: one Hollywoodite helping another, across the generations and through the bizarre mediation of an assassination attempt.

Foxes has been gathering dust for months on British distribution shelves and has now leaped off them, powered no doubt by Miss Foster's current and sudden fame. It's an ill assassination attempt that blows nobody any good. There she struts, that precocious point-nosed nymphet with the perky shrug, the seen-it-all eyes and the gravel voice of a Brooklyn streetwalker. And both she and the film, it eventuates, are fair-to-riveting.

The movie's overlong shelf-life is due, one suspects, to its fuzziness of category: part growing-up saga (an all-female *Breaking Away*), part street-gang melodrama, part *genius loci gaze* at Los Angeles life. But director Adrian Lyne and photographer Leon Bijou have harmonised the film by shooting it in an opaque and opiate sheen that's full of eerie visual surprises: sudden bursts of diffuse light from a car or motor-cycle headlamp, interiors awash with a glowing smoky half-haze.

Sixteen-year-old Jeanie (Miss Foster) and her three best friends — Annie, Madge, Deidre — are all gamely striving to grow up unscathed and at-their-own-pace in a society where drugs, drink, divorce and promiscuity are all on draught at the pull of a handle. Through the tragicomic jungle of growing-pains, plots criss-cross in the movie with no clear-mapped but a curiously life-like pattern: and it's only in the film's last half-hour that the by-roads converge (a mite too neatly) into a single highway of narrative — with pale and Quaalude-groggy Annie fleeing the mental home where her father has penned her and coming to a sticky end as police, motor-cycle youths and her friends race to be the first to find her.

The drumbeat of doom is too heavy in these closing reels, the special-pleading hysteria for a Society Gone Wrong too plangent. *Foxes* is at its best earlier on when throwing crunchy, odd-assorted ingredients into the mixing-bowl and turning the spoon very slowly: the clutching-at-straws romance between plain and virginal Madge and rich, dopy Jay (Randy Quaid), the the scatterbrained, spoof-distrait soliloquies of Sally Kellerman as Jodie Foster's divorced mum (moving from emotional sedative to sedative—sex, drink—"like all the other divorced, desperate UCLA graduates!"), and the all-star precocity of Miss Foster herself, a Shirley Temple put through the mangler of experience and coming out straight-haired, straight-nosed and straight-punching.

There's also, early in the movie, my nominee for the cinema's Best Shot of the Year, 1981. When Jodie Foster sneaks into runaway Annie's parents' home to steal her clothes for her and stumbles upon Annie's mum, plus Great Dane, holding vigil on the settee, the shock-cut tableau of this sentinel pair is stunning: a harsh rain of opaque light slanting down over a composition that's like Wyndham Lewis's Edith Sitwell gone Gothic. The shot should be enlarged and framed and put up on a wall in an art gallery.

★

Andrzej Wajda's *Rough Treatment* needs a shot of this visual adrenalin. The script and performances in this Polish tale of a hydra-headed crisis in the life of a political journalist, whose wife has left him taking their child and whose work colleagues shun him as too outspoken and dangerous-to-know, have a wild and smarting sizzle as of spilt acid. But Wajda's camera does little more than bob busily around, TV-style, mopping up the truths before they burn up. "I worked on this film in a blind rage," says Wajda, and indeed it's an oddly "blind" movie, with an *ad hoc*, formlessly weaving, head-and-shoulders presentation and a sort of four-wall claustrophobia better suited to a TV or even a stage play.

But its two most thrilling properties remain intact: the Protean rage and range-of-despairs in the central performance—Zbiegniew Zapasiewicz (who was the impish-cynical professor in Zanussi's *Camouflage)* as a leftish pundit-for-all-media whose "steady" home life and urbanely-subversive public life as a TV and newspaper gadfly are suddenly picked open like a concealed wound—and the domino logic of Wajda and Agnieszka Holland's screenplay where each collapsing item in the protagonist's life tips or topples the next.

Zapasiewicz is a grey-haired, puckish sack-of-potatoes with ironic eyebrows, a mobile lower lip and a marvellous ability to switch from being assailant to victim in a single scene. Wajda and Holland's script endow his story with some mischievous understated *rapports* that keep turning tragedy into pitch-black comedy. A few scenes after being lectured about the "building-bricks" theory of marriage by his wife's divorce lawyer, our hero hits his wife's lover over the head with a toyshop gift he has just bought his child—multicoloured plastic building bricks. Though made in 1978 *Rough Treatment* has, with Poland's present-day wrestlings of heart and mind, conscience and will, an even more pungent topicality now than then.

"A derangement of the synapses that we call telepathy," burbles somebody in *Scanners*, diagnosing the condition that most of the movie's characters suffer from and which in this Sci-Fi thriller from the Lens of David Cronenberg *(The Brood, Rabid, Shivers)* results in everything from exploding heads to imploding plotlines.

By a perverse inverse progression, the better Cronenberg's special effects become, the worse his films get. *Scanners* is a derangement of the camera-lens that we call pulp movie-making. The plot, at once intricate and inchoate, concerns the training of a down-and-out telepathic (Stephen Lack) by psychic guru Patrick McGoohan, who wants to launch him against an evil world consortium of "scanners:" that is, men who use their telepathic powers to inflict physical injury and/or death.

The film's First Act is eerily effective: bearded McGoohan expounding in his fruity bass the rules and powers of scanning, and the first horrific demonstration when two rival scanners mind-wrestle in a lecture-room, the loser's head suddenly blowing apart like a detonated haggis. But thereafter the plot dodders on through chase-scene after chase-scene, with nary a shiver down the spine and none of that sense of an inevitable spiral, coiling ever tighter round the victim-audience, that all the best thrillers have. Cronenberg should take leave-of-absence from his special-effects drawing-board — we can take the fissuring foreheads and exploding heads as read — and get back to devising compulsive plotlines and believable people.

★

Manila is a long, lithe slab of neo-realism by Philippino director Lino Brocka; a prolific turner-out of street melodramas and Oriental *films noir* who has become of late the spearhead of his country's film industry.

Unlike David Cronenberg, Brocka *does* know how to build a story. The social protest is rudimentary in this tale of an up-from-the-country youth (Rafael Roco) living and working in exploitative Manila and trying to track down his vanished girlfriend. (Spirited off by a rich lady who promised her education and work, she has promptly disappeared from view, perhaps into the bottomless pit of prostitution.) But Brocka knows how to pace his plot, when to give and when to hold back information, and how to wreathe his wide-screen images in a shadowy, brooding realism. One's only lament is that this movie is six years old and Brocka has made six feature films since. When will we be seeing them?

★

At the National Film Theatre, New Zealand unveils its emergent riches from May 1. Some of the season's films have already won the imprimateur of internationalism by being seen at film festivals: Roger Donaldson's Sci-fi fantasy *Sleeping Dogs*, Geoff Steven's comedy of small-town manners *Skin Deep*, Geoff Murphy's fizzy chase-caper *Goodbye Pork Pie*. Others are unknown quantities to me as to you, but there are fair grounds for hoping that balmy breezes from the neighbouring Australian renaissance have wafted seeds of creativity into Auckland and points south.

Kandice Stroh, Jodie Foster, Marilyn Kagan and Cherie Currie in 'Foxes'

Roy Dotrice

Leonard Burt

Fortune

Mister Lincoln

by MICHAEL COVENEY

Roy Dotrice unveiled his new one-man show in Ford's Theatre, Washington, last year. That famous scene of the Good Friday assassination is the vantage point from which Herbert Mitgang's play surveys the career of the Kentucky rail-splitter. As the bullet penetrates his skull, he sees his life flash before him. With a quick lighting change, we are back in Illinois.

At the last count there were over 5,000 published works about America's first bearded President. Perhaps the perenially interesting question is how Lincoln brilliantly preserved his anti-abolitionist line while insisting on the preservation of the Union through Constitutional argument. While Mr. Dotrice gives us plenty of effortless, subtle rhetoric, there is no attempt to divulge the secret of his instinctive political acumen. Instead we have a soporific scrap book of home-spun philosophy, tearful oratory and sentimental reflection.

The show lacks urgency once you stop admiring either Mr. Dotrice's make-up or the ease with which he suggests Lincoln's height (this actor, in fact, would be more physically suited to impersonate Ulysses Grant, Abe's greatest general). The predominantly lilting delivery melds Lincoln's wittily tactful messages to the front with despair at his wife's extravagance and the death of his first two sons.

The great battles of the Civil War hum gently in the background while we are regaled with snippets from the emancipation proclamation, the Gettysburg address (on "government of the people, by the people, for the people," Mr. Dotrice all but caves in at the beauty of his own noise) and the second Inaugural speech. Despite the cluttered set of desks, bookshelves, flags and papers, this is no second *Brief Lives*. It is a somnolent, tediously reverential exercise devoid of theatrical spark and smacking fatally of Reader's Digest and underpopulated halls on the Middle American lecture circuit.

Oval House

Medea by ROSALIND CARNE

Steve Whitson's outrageous, multi-racial version of this ancient myth is, without a doubt, the most exciting fringe production I have seen this year. It is a wildly ambitious project; non-professional, often messy, even, as Whitson himself suggests in a programme note, anarchic. Yet I was startled, moved and impressed by these young actors (average age 19), while many a smooth West End performance has left me dozing.

Apollonius of Rhodes, Euripedes, and Ovid, and two modern treatments of the Medea tragedy by the 20th century American poet Robinson Jeffers, and the 19th century Austrian playwright Franz Grillparzer, provide the textual core of this three hour epic. But the company's starting point is improvisation. Four South London street kids embark on a mission across the Thames to pick up a pile of stolen goods—sheepskins. One of the skins is golden, the famous prize that drew Jason to Colchis and his fateful liaison with King Aeetes' daughter.

Contemporary social reality and Greek myth are successfully intertwined—not smoothly, but with a brazen disregard for theatrical convention. The rubber dinghy is discovered to have a puncture and a heavy wooden Argo is lowered from the gods. Sirens whizz by on roller skates, beaded locks flying. Soon we are in the dark world of Aeetes' court, where, in contrast to London, and in spite of a white male sovereign, black women wield considerable power. Act II relates the meeting between Jason and Medea and their subsequent escape, sticking close to the Apollonius source.

Towards the end of the play, Medea's estrangement in a foreign land is as crucial as her jealousy or need for revenge. She is a woman wronged, not simply by an individual, but by everything that individual represents. British common law stands in place of the cold justice and civilisation of Corinth; the words of Euripedes co-exist with black street talk and each language is equally relevant. Our heroine's final act of fury is to burn down the home/palace of Jason's girlfriend, Lorraine Glauce.

Oval House have spun a web of passionate personal and political statements in re-creating this great story.

At first I was unsure about Doreen Brown's passive and mysterious black Medea. But she is better at hate than love, and rises magnificantly to her role of savage priestess in the final act. Giles Agis creates a fuller personality in his calculating self-aggrandising white Jason,

The rest of the company exhibit varying degrees of skill, grace and assurance. Verbal delivery is often wanting and much of the linking monologue from the black raconteur, Wayne Fitzgerald, was lost through incoherence. We are left with a warning that this could be a long hot summer, a clear enough reference to recent events in the area. The reminder is unnecessary, for the preceding drama has done what so much overt political theatre usually fails to do, raised our consciousness by stirring our emotions.

£120,000 Mobil sponsorship for Scottish Chamber Orchestra

Mobil North Sea has announced a substantial increase in its level of sponsorship of The Scottish Chamber Orchestra. The company, whose Scottish base is in Aberdeen, will donate a total of £120,000 over a four-year period beginning in 1982. The sum is in addition to £13,500 which has already been given for 1981.

It is intended that Mobil's increased funding will sponsor the continuation of an Aberdeen concert series for four seasons plus four seasons of Family Concerts at the Queen's Hall, Edinburgh, beginning next October.

Mobil are also sponsors of the following arts events in Scotland: English Speaking Union exhibition of contemporary Scottish Art, opening in Edinburgh on August 14; recitals by the Saltire Music Group of Scottish music and verse; performances by Haddo House Choral Society, Haddo House, Aberdeen.

Mobil sponsorship of the SCO began in 1979-80.

Elizabeth Hall

Watkins violin concerto

Wednesday's concert by the London Mozart Players was conducted by Mark Elder. He brings to the orchestra a good deal of stylishness in the playing of its staple Mozart and also, on this occasion, a contemporary novelty—the first London performance of Michael Blake Watkins' violin concerto. The concerto has waited two years to reach the capital. It was written for Yfrah Neaman, and he gave the premiere with the London Mozart Players at the Portsmouth Festival in 1979.

Mr. Neaman has made something of a speciality of a particular kind of contemporary violin concerto, in an idiom which carries all the trappings of modernity but wears them lightly, and which at its heart has a quite traditional concern for lyrical flow. Blake Watkins has written a work in much the same vein, and the dedicatee plays it expertly and with impressive familiarity. The result is a convincing vehicle, never strikingly original but thematically cogent and lucidly constructed.

There is something that seems familiar in the tone of much of the violin writing, and also in the orchestration (for a small band of strings, single woodwind, two horns, harp and percussion). The shadow of Walton's concerto seems to lie across many of the pages—not just those where a solo cantilena lazes over rocking wind accompaniment, but in the juxtaposition of song and scherzo, virtuoso writing and easeful utterance. The form is a substantial single movement: a big-boned allegro with framing introduction and elegiac, Bergian coda, punctuated by three cadenzas of varying length, and having at its centre a generous, expansive melody. It is an immediately pleasing work—undemanding in the non-perjorative sense that it does not ask an audience to suspend belief in the viability of its musical language but stands confidently and unashamedly in a well used tradition.

ANDREW CLEMENTS

Festival Hall

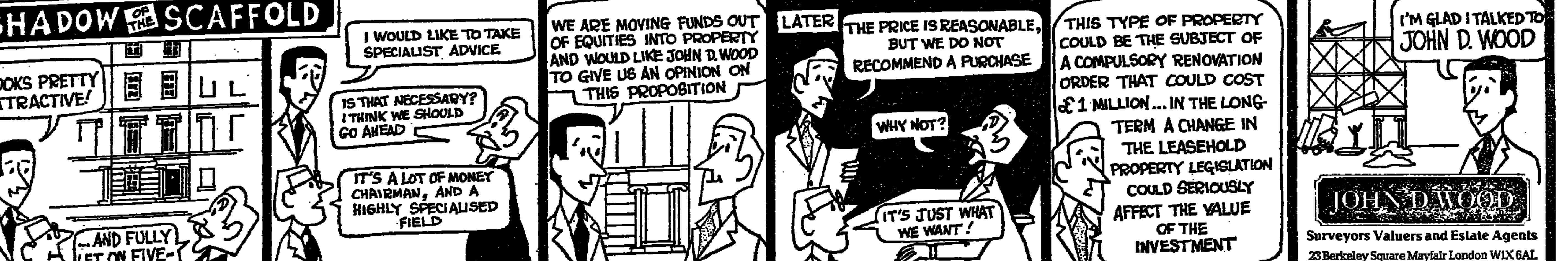
Moscow Philharmonic

The Moscow Philharmonic and its conductor Dmitri Kitaenko were joined on Wednesday by a series of protestors—solo outbursts on the platform, choral declarations from the seats behind the orchestra, and a final dash by a young man who was brought down in mid-stalls by enraged members of the audience. The orchestra was not perceptibly disconcerted, though most of this happened during the music in the first half, and the protest was seriously under-rehearsed: signs were displayed upside-down or backwards, and only at the fourth or fifth intrusion could one discover what the protest was about. Visible slogans silently brandished would surely have been more effective and less counter-productive — the audience redoubled its applause for the official visitors.

The Moscow players are highly efficient as well as unrufflable. Their sound is clear-cut and a little hard, with phrases collectively bitten off at the ends. Theirs is a palette of primary colours, the various component bands sharply contrasted: gutty, well-drilled strings, very light and reedy woodwinds, warmly romantic brass. Rimsky-Korsakov's "Russian Eeaster Festival" Overture sounded more directly sprung from the soil than it usually does in Western concerts, though Rimsky's orchestral *rtouvailles* were rendered with vivid delicacy. Prokofiev's "Classical" Symphony enjoyed a straight modern-classical reading.

Vladimir Krainev was the soloist in the same composer's early First Piano Concerto, and treated it as a series of acrobatic hurdles — taken with enormous drive, certainly, but as considerable cost to the sense of the music. The single continuous movement of the work can sound much more subtley constructed than it did here, and endowed with more feeling: even without the competing protests, what we heard would have seemed a mere alteration of furious piano-clatter with overexcited orchestral interludes. The "Pathétique" Symphony of Chaikovsky was solidly professional, lacking any specially distinguished solo winds. Kitaenko made the March a high-speed showpiece, and after it the groans of the Adagio lamentoso had a factitious air. An idiomatic performance, by and large, but not a gripping one; under the circumstances that was understandable — and Mr. Sharansky is still in prison.

DAVID MURRAY



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The challenge to managers

THERE HAS been much talk in recent months about a change of mood in British industry, leading to productivity improvements on a scale which would not have been dreamt of a few years ago. Some companies claim that they have been able to tackle overmanning, demarcation rules and other sources of inefficiency with little resistance from union officials or shop stewards; this in turn is attributed to a greater understanding on the part of employees of the connection between productivity and job security, between the profitability of the firm and their own livelihood. There are also suggestions that managers have recovered the right to manage, that their past timidity in the face of union opposition has given way to a new determination to take the initiative and where necessary to impose changes which they regard as essential.

Backlash

It is certainly true that some important gains are being made and these should not be underestimated. But there may be a *temptation*, both for people in industry and for outside observers (especially those looking for positive results from the so-called Thatcher experiment), to exaggerate or over-dramatise what is going on. Quite apart from the risk of a backlash when the upturn comes, it must be remembered that changing deeply entrenched habits and practices is not a matter of spectacular breakthroughs which suddenly transform the performance of a company. It is a hard slog, requiring endless patience and meticulous attention to detail.

Nowhere is this more apparent than in the motor industry, where the extent of Japan's superiority in output per man and hence in production costs is now widely appreciated by European managers. A well-known comparison shows that in Ford's *Halewood* assembly plant six men are required for each vehicle produced each year, three in the Saarlouis plant in Germany and one in Toyota's Japanese plant. In the UK, Ford is embarking on the appropriately named AJ programme ("After Japan") in an attempt to close the productivity gap. But this is only part of a two-pronged approach which the company is following. The other part, no less important, is a determined effort to ensure that existing agreements and procedures are properly implemented.

The company has presented its unions with a long list of outstanding problems where existing agreements are not being honoured or where negotiations on impovements already accepted in principle have bogged down. The list covers items which must be all too familiar to managers in other companies: a refusal to accept new work standards; resistance to reductions in manning; a refusal to allow semi-skilled men to do jobs traditionally reserved for craftsmen; resistance to labour mobility; pressure for unnecessary overtime; and many more.

There is no magic wand which can make these problems disappear. If there is a better appreciation of commercial realities — especially the reality of Japanese competition—on the part of union officials, shop stewards and employees, this should make the management's task easier, but the improvements still have to be negotiated and agreed. In the meantime, Ford wants to press ahead with more ambitious changes in methods and work practices. These will include more automation, greater use of quality circles, and a much more rigorous approach to stock control, quality and work standards. More mobility and flexibility among skilled trades will be looked for, while production operators will be expected to take on wider responsibility for maintenance and other functions. The flexibility of the Japanese worker, his ability to carry out a number of tasks which in Europe require several different tradesmen, is one of the keys to Japan's high productivity.

Warning

It is significant that Ford is by far the most successful of the four British major car manufacturers and its efficiency is well above the average for the engineering industry; the seriousness with which it views its productivity shortcomings should be a warning to other companies exposed to international competition.

The fear of bankruptcy is a powerful spur and this is no doubt one of the main factors which has contributed to recent productivity gains in British industry. But the real productivity challenge is not simply a matter of surviving the recession but of working towards a level of manufacturing efficiency which matches that of the UK's strongest overseas competitors. This will require careful planning, detailed consultation and firm implementation; otherwise the progress which has been made in the past year will be thrown away.

Embargoes: some practical snags

BOYCOTTS AND embargoes make good headlines: but in the real world their effect often is doubtful, at times even the opposite of what is intended. The entire subject has been brought to the fore again by the intention of the U.S. administration to rescind the partial embargo on grain sales to the Soviet Union, and by pressure in the United Nations for extending to oil the existing mandatory embargo on the sale of arms to South Africa.

The grain embargo was imposed last year by President Carter in retaliation against the Soviet invasion of Afghanistan. It never was total: existing commitments were honoured and some other countries did not feel bound to follow the American lead. In practice the embargo may have served its purpose as a political signal to Moscow.

Harvests

The practical effect on Soviet food supplies appears to have been small — certainly when measured against the effects of poor harvests. No doubt the embargo was a contributory reason, but no more than that, for the Soviet effort, reported last month by the UN Economic Commission for Europe, to revive a sluggish agriculture by raising capital expenditure and cutting red tape.

If the grain embargo has caused friction between the U.S. and some of its allies, the same is all the more true of industrial goods. Washington is critical of German plans for a pipeline from northern Siberia to supply 30 per cent of West Germany's natural gas needs by 1990. The Germans, for their part, see no reason why they should forgo that gas —and some welcome orders for their pipe mills.

Things become complicated in the field of high technology. NATO's machinery to prevent exports to the Russians of strategically sensitive goods has worked reasonably well. But as Soviet rocket technology shows, they are quite capable of going it alone where they consider the national interest to be overriding.

The argument is finely balanced whether an exporter of advanced technology reduces or enhances the dependence of his customer. The Soviet oil industry badly needs Western technology to get at reserves that are hard to extract. The Russians could eventually develop that technology themselves—but it would cost time and resources. Is that a conclusive argument for forcing them to make the effort? How do we know that, left short of oil, the Kremlin might not be tempted to help itself to other people's reserves?

In the case of South Africa, the UN Security Council imposed a mandatory arms embargo in 1977. Pretoria's refusal to go along with the world organisation's wish to associate Swapo, the South West African People's Organisation, with Namibia's slow progress towards independence, has brought about pressure to extend that embargo to include oil.

When, in 1979, the Security Council threatened South Africa with extended economic sanctions, the West abstained. A proposal for tighter sanctions now would almost certainly run into a veto from Britain, France, or the U.S., or from all three. At a time when Washington is said to be eyeing Simonstown as a possible naval base *on the route to the Gulf*, it is hardly likely to approve sanctions.

Special cases

The conclusion is that each case must be judged on its practical merits, not by a flourish of rhetoric. Not every preacher of sanctions practises what he preaches. There will always be special cases, but wherever possible, once the western alliance or the world community have decided to act, care must be taken to ensure *that all* keep *in line* and that there is no underhand evasion. A blunt weapon may be worse than none at all.

FRENCH PRESIDENTIAL ELECTION

Giscard's double struggle

By Robert Mauthner in Paris

The three front runners. Francois Mitterrand (left) dreams of forging a left-wing alliance. President Giscard (centre) showing signs of nervousness as Jacques Chirac, the Gaullist leader (right), has gained support after a dynamic and hard-hitting campaign

THE French presidential election, the first round of which will be held on Sunday, *has come to life as the* uncertainty about its outcome has increased.

President Giscard d'Estaing, once so confident that he would win a walk-over victory, has begun to show distinct signs of nervousness at the result of the latest public opinion polls, which show that he has been losing ground steadily and that he could be pipped at the post. The "citizen candidate," as he likes to be known, has even complained bitterly that his nine first-round opponents are all against him, as if the whole point of the election was not to give voters the opportunity to change their President.

That said, the two-round French electoral system produces curious situations which cannot be compared with those in any other country, even ones with presidential systems, such as the U.S. The main object of the candidates in the first round is to be among the leading two, for it is only the latter who survive to fight it out in the final ballot two weeks later.

The whole nature of the battle can thus change between the two rounds, when electoral alliances can be forged between candidates who have been knocked out and one of the two survivors.

All the candidates therefore fight extremely subtle campaigns before the first round *and usually tie themselves and* the voters up in apparently inextricable knots, which are then unloosened, Houdini-like, before the second ballot.

Thus, President Giscard has been fighting not only M. Francois Mitterrand, the Socialist candidate and his main rival, but M. Jacques Chirac, the Gaullist representative.

It is arguable that President Giscard would prefer to face M. Mitterrand rather than M. Chirac in the second round. But, above all, the outgoing President wants to keep M. Chirac's score down *as low as possible, so that* he will not be the prisoner of the Gaullists as he was during his first presidential term.

The policy differences between the two men are less important than the clash of their personalities, but they are nevertheless substantial.

While both the President and M. Chirac are ardent supporters of a free enterprise society and are strongly opposed to the Socialist and Communist nationalisation programmes, the Gaullist leader has sharply criticised President Giscard's *economic policy. He has pro*posed a vigorous expansion of the economy, the abolition of income tax for the lowest paid as well as capital gains tax, and a reduction of the state's running costs. On foreign policy, too, M. Chirac has hit out at President Giscard, whom he accuses of being weak and vacillating towards the Soviet Union.

M. Mitterrand's main target is, of course, President Giscard d'Estaing. But he also has to keep a sharp eye on M. Georges Marchais, the Communist *leader, who risks causing the* Socialist leader a great deal of trouble if he chalks up a good score in the first round.

In the earlier stages of the campaign, everyone was hitting out at President Giscard. During the last few days, when it became clear that M. Chirac, *who has conducted a particu*larly effective and dynamic campaign, had progressed by leaps and bounds in the public opinion polls, the other candidates adjusted their sights accordingly.

The latest polls show that M. Chirac could get anything between 17 and 20 per cent in the first round, while he started campaigning with only a bare 10 to 12 per cent of the voters backing him. That puts him within striking distance of M. Mitterrand's 23 to 24 per cent, though it would need almost a miracle to make up the remaining ground within a few days.

M. Chirac and his staff have cleverly exploited the Gaullist candidate's success and clearly hope that more and more people will jump on the bandwagon as they become convinced that he has a real chance of winning through to the second round.

The Bourse, as usual, has played its part. The advance announcement that M. Chirac was going to make an important declaration on Wednesday, coupled with cleverly-propagated rumours that Mme Marie-France Garaud, the late President Pompidou's and M. Chirac's one-time political adviser, was going to stand down in favour of the Gaullist candidate before the first round, boosted the share index by as much as 2.5 points. No better indication of business confidence in M. Chirac could be hoped for.

The rumours about Mme. Garaud turned out to be untrue and M. Chirac's "solemn appeal" was considerably less dramatic than it was expected to be, *though its message on* the need to preserve the unity of the ruling majority and to avoid, at all costs, Communist participation in the Govern*ment*, is a significant pointer to the probable line-up in the second round.

What the Gaullists have suc*ceeded in doing is to create* a real Chirac psychosis in the other political camps.

Even President Giscard said that he did not want to be elected as the result of the abstention of half the French population, meaning that a truly democratic vote required the presence of a right-wing and a left-wing candidate in the final ballot.

The result of the first round of the presidential election is important, not only because it designates the two candidates who will fight for the supreme prize, but because it takes a political "photograph" of the country.

What the Gaullists have succeeded in doing is to create a real Chirac psychosis in the other political camps. . . . If the opinion polls are right Giscard has lost a great deal of support since 1974.

It has become a platitude to say that French people vote with their hearts in the first round and with their heads, or wallets, in the second, but there is a lot of truth in it. The second ballot distorts the picture because many people, whose own first choice has been knocked out, will opt for someone whom they do not really want to see as President just to keep out his opponent, whom they like even less.

If the opinion polls are to be believed, and there is no other really reliable measure of what the country is thinking, Presi*dent Giscard has lost a great* deal of support since the last presidential election in 1974. The polls give him no more than 27 to 28 per cent in the *first round, whereas in the first* round of the 1974 election, he obtained nearly 33 per cent.

That still puts President Giscard in the lead, some four points ahead of M. Mitterrand, but the gap has significantly narrowed over the past few months.

There are undoubtedly many reasons for the decline in President Giscard's standing in the country. The slack state of the economy, the high level of unemployment, the ambiguity of his foreign policy and the publicity that has been given to the gifts of *diamonds he received* from the ex-Emperor Bokassa of the Central African Republic, have all contributed to an erosion of his popularity.

Most of all, however, it is the inordinate length of the presidential mandate — seven years — which is bound to create a pendulum effect. Someone who holds the powerful office of French President for as long as Giscard d'Estaing has done almost automatically provokes a backlash.

In addition, it is only natural that a country which has been *under conservative rule for* nearly 25 years would like to see a change at the top. What the French describe as *alternance — the possibility of* changing the political colour of the country's government — has not worked in practice in France.

The reason is not that the electoral system is not democratic. It is mainly because, when it comes to the crunch, the electorate has always shied away from voting for a left-wing alliance which would give the Communists a share in government. The French people have never been given the chance, since the creation of the Fifth Republic in 1958, of choosing a Socialist government or President who was not lumbered with the Communists.

The situation today is less clear-cut. M. Mitterrand has given an undertaking that he will make no deal with the Communists before the election, that is not before the final result is known on May 10. After he has been elected President, the National Assembly will be dissolved in the hope that the ensuing parliamentary election will bring back a left-wing majority. Before that election, the Socialist and Communist parties will enter into negotiations to see whether they can agree on a common government programme.

It is therefore left open whether M. Mitterrand will govern together with the Communists. But it is clear that he would prefer to forge a left-wing alliance rather than be obliged to rule in co-operation with right-wing parties, which would not only discredit him personally but probably prove to be unworkable in practice.

What is certain is that M. Mitterrand needs the support of Communist voters in the second round of the presidential election to stand any chance of being elected. He must therefore woo the Communist Party *between the two rounds, how*ever prudently he goes about this delicate matter. That may not produce a deal, but it could lead to a tacit understanding, which would have the same effect.

What happens on the other side of the political spectrum after the first round is also very much in the air, though the betting must be that the right-wing family will close ranks in the same way as the left-wing family. M. Chirac *has fought* a hard battle and has certainly not spared President Giscard. But he has not said anything irreparable and his latest declaration, aimed though it is at maximising his own vote, has emphasized that he considers the Communists as the main threat to the country.

At the same time, M. Chirac will exact a high price for his support in the second round, assuming that he is eliminated after the first ballot. It is a price that President Giscard who has suffered greatly from M. Chirac's *headstrong* and unco-operative behaviour, both during and after the latter's two years' premiership, may find it very difficult to pay.

Having dismissed him as Prime Minister once, because of fundamental differences over M. Chirac's powers, one can hardly envisage President Giscard appointing the Gaullist leader to the same post again. But as the famous French dictum has it: "impossible is not a French word."

How many Gaullist voters would follow the instructions of their leader to opt for Giscard d'Estaing is even more of a moot point than the attitude of Communist voters to M. Mitterrand.

One opinion poll published by a weekly magazine found that 75 per cent of voters opting for M. Marchais in the first round would spontaneously switch to M. Mitterrand in the second round, after the elimination of their own candidate. However only 20 per cent of the supporters of M. Chirac, Mme. Garaud and M. Michael Debré, the independent orthodox Gaullist candidate, would switch to President Giscard in the second round.

But that was the picture some two weeks before the election. When the chips are down in the second round, the voters will be thinking much harder about the consequences of their action. *President Giscard will then*, again, be able to dangle before the electorate the bogy of a collectivist society and the chaotic situation that would be provoked by a Socialist-Communist government, within which the two components would be constantly at loggerheads, and stand a much better chance of being heard than now.

Such rational behaviour cannot be expected, however, in the first round. Many people will be voting one way or another just to vent their spleen on those in authority—at the head of the Government or at the head of the party they normally support.

A typical statement made by a voter 48 hours before the first round was: "I am voting for Francois Mitterrand because I know he will never be elected." You can hardly get more cussed than that.

MEN AND MATTERS

Managing the menagerie

"In the words of the Victorian music-hall ditty, 'Walking in the Zoo is the OK thing to do.' But all that is over. Attendance at the Zoo by British residents has gone down in recent years as our gate charges have gone up." Grim news from Lord Zuckerman, president of the Zoological Society of London, reporting an operational deficit of £666,000 for 1980. "Such further large-scale economies as we can introduce . . . could only be at the expense of the care of the animals and of the services we provide for the public. We are, in effect, up against a brick wall."

Crisis at the Zoo! But what does it mean in animal terms? What is life really like behind the bars when the winds of recession blow? I went to investigate.

The Funereal Cockatoo looked the right sort of bird to approach on such a matter. "You say £666,000?" he replied, "what *do you expect? Has the mark of* the Beast about it doesn't it?" Furling his black plumage, he gave a cackle of grim laughter. "Gloom and decay, what could be better?"

"What could be better, what could be better," chipped in his *next-door-neighbour*, *Festive* Amazon Parrot, determined to keep up his spirits. "Four legs good, two legs bad. Blame man. What animal ever made an operating loss in its natural habitat? Good news for Lappet-Faced Vulture over there, *though*, a few fine dinners in it for him if this goes on." Lappet-Faced Vulture nodded approvingly, taking his eyes for a moment off a toddler which had tripped over temptingly close to his cage.

"I say, Man." It was the voice *of an orang-utan*. "Call me Pongo. Pongo Pygmaeus is the name. Now I've been around here for a good few years. Not as many, mind you, as Cocky the Sulphur-Crested Cockatoo who was 56 a few weeks back. But if you ask my advice, it's those Indian Fruit Bats who have started breeding like mad lately. The Sugar Gliders I don't mind, but those bats—well, I don't have to spell out the implications."

Not much liking Pongo's drift, I sloped over to the Barbary Sheep, who had been flocking quietly on the Mappin Terraces since 1916, causing nobody very much trouble. "Can you not *unionise? Set up a joint study* group with Man to work things out?" I asked. "That would be all very well," replied one, "but even these days, the wolf simply will not dwell with the lamb, nor the leopard lie down with the kid. The organisational problems are simply immense. *Even separating the sheep from* the goats would take months."

Nose bag

Proof that there is an export market to be found for almost anything—and, even more encouraging that British companies and the Department of Trade are alive to the opportunities—comes from the Lincolnshire-based specialist food suppliers Robinson & Carr. The company has just despatched a container load of 14 tonnes of *parson's noses to the West* African state of Togo.

"We've sent turkey gizzards to the Far East, chicken stomachs and claws to China," says managing director Richard Green, "but this is our first order for parson's noses."

The two million turkey rumps are destined for conversion in Togo's kitchens into a delicacy called "sot-l'y-laisse." A small parson's nose is delicious, I am told, when tossed in flour, fried until crisp and served in a rich sauce of mustard, chilli and *tomatoes*.

Green, who gets his raw material from a Unigate turkey farm that supplies Marks and Spencer and Sainsbury with the choicer parts of the birds, secured the Togo contract after a tip from the DoT.

But the company, with only a handful of employees and a turnover of £5m-£6m, has *become adept at spotting* its own export openings. It does a huge trade in raspberries, especially to Central Europe, by studying weather reports, including satellite maps, to discover where local crops are likely to be hit by snow or frost.

Prompt book

Actor Richard Huggett collects theatrical superstitions like some people collect stamps or coins: "Never wear green on the stage . . . never carry real flowers . . . or whistle in the wings." But it is the disasters that have befallen productions of Macbeth in the past 374 years that really fascinate him.

"Typical, the people who can't get in complain and the people who can, don't want to come"

Huggett began collecting the tales of ill-luck which surround the play soon after landing his first part on the stage at the Watford Palace in 1949. An old actor who heard him quoting lines from the unmentionable tragedy threw him bodily out of the dressing-room.

The book which Huggett eventually compiled, The Curse of Macbeth, seemed destined to have no better fortune. It was rejected by 50 publishers who all agreed that no one would want to read such doom-laden chronology.

Then last year Peter O'Toole's Macbeth at the Old Vic, maintaining the tradition of misfortune, ran into a critical storm and Huggett's luck changed. He had contributed a programme note on the play's history and *found himself much in demand* for TV and radio interviews.

Publisher David Picton-Phillips heard him on a car radio. And within a month had agreed to publish the book. It comes out on Monday and 25 actors who have played Macbeth in recent years, including Lord Olivier and Sir John Gielgud, have been invited to defy superstition and attend a celebratory party at the Old Vic.

Glistening bank

Yesterday's annual meeting of Lloyds Bank brought a rebuke for chairman Sir Jeremy Morse from Isle of Wight shareholder Stanley Stevens. Striding up to thrust a duster into Morse's hands, Stevens protested at what he said were "dull, filthy and rusting" brass and steel fixtures on Lloyds edifices. Plucking the duster like a nosegay, Morse replied, in words which I doubt Lady Morse would have appreciated: "You remind me of my wife. And you act like her, thrusting a duster into my hand."

Observer

Jason Crisp explains why British Telecom is fighting to retain its monopolies

Disengaging Britain's telephone lines

SIR KEITH JOSEPH, Industry Secretary, has given himself two months to decide if British Telecom should be stripped of almost all its telecommunications monopolies and exposed to a U.S. degree of free-booting competition.

The report by Professor Michael Beesley of the London Business School, commissioned by Sir Keith and published last week, concluded it would be in its customers' interests for it to lose its monopolies. Sir Keith is inclined to agree but he is meeting fierce opposition from British Telecom and has given it eight weeks to try to demolish Beesley's findings.

BT has been quick off the mark. It claims that implementing the report would mean much higher telephone charges for residential customers (voters) and even higher charges for customers in rural areas (Conservative voters). Small businesses outside the main urban areas would also have to pay higher charges. Only large companies operating between the main centres would be able to benefit from Beesley's proposals.

But it is not just the political-economic argument against monopolies which weighs with Sir Keith. There has been a revolution in the range of services that can now be offered on a telephone line from electronic mail to sophisticated data transmission. Although British Telecom has been ahead in some areas such as viewdata, by and large it has been unable to keep up with consumer demand for most of these new services.

Professor Beesley's report is just part of the Government's strategy designed to end the telephone monopoly contained in the British Telecommunications Bill which is now going through Parliament. The Bill splits the Post Office into two separate corporations, telecommunications and posts with Giro, and allows the Industry Secretary to relax the telecommunications monopoly in three ways.

The first—on which most discussion has so far centred—will allow private companies licensed by the DoI to supply, eventually, a complete range of telecommunications equipment from telephone sets to advanced digital private exchanges (PABXs).

The second the subject of Professor Beesley's inquiry, gives Sir Keith power to allow private companies to lease lines from British Telecom and offer services on those lines to third parties. These are the so-called value added network services.

The third, and perhaps most controversial, will allow companies or consortia to build a competing telephone system alongside British Telecom's.

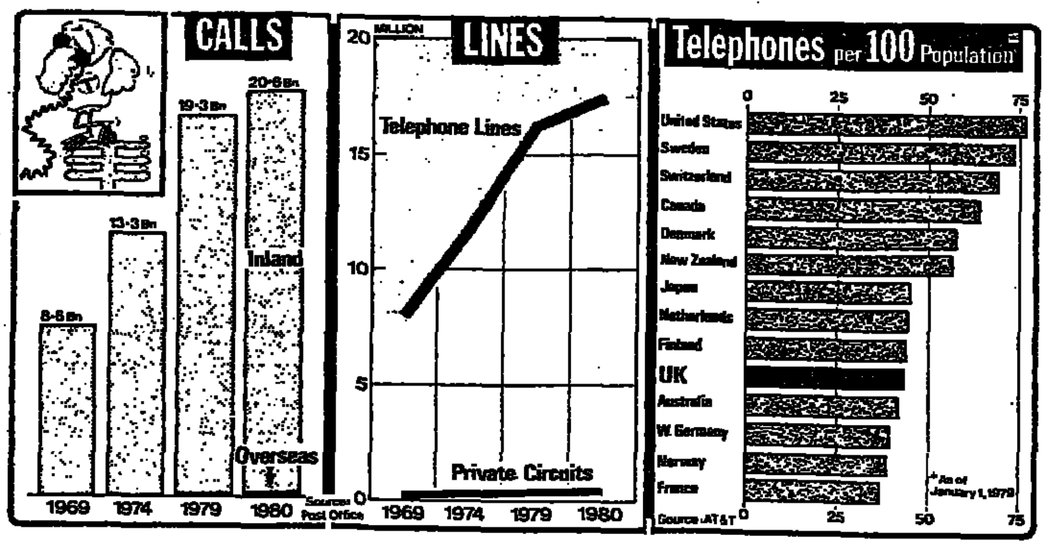
Professor Beesley has called for a complete liberalisation of value added network services. There should be no restriction within the UK on the freedom to offer services over British Telecom's network. He also endorses the establishment of competing networks.

There is a significant problem in defining a value added network service. Professor Beesley takes the broadest possible view that any service offered by a company using BT's lines is "value added" even if it is just the resale of private circuit capacity to be used for speech.

British Telecom has a much narrower definition. It says a value added network service is one where a private operator adds special terminal equipment or "conditions" the lines "so that they can sustain a specialised service, such as high speed facsimile or data" which is then offered to the public.

British Telecom objects to the straightforward resale of capacity because most of its profits are made on international and trunk calls between main cities. These subsidise loss-making local calls. In the year ending March 1980 BT says it actually lost £36.5m on an income of £2.8bn from inland services, but made a profit of £165.6m on an income of £642.8m from international services.

British Telecom faces the sharp edge of competition if a report, commissioned by Sir Keith Joseph, is implemented. Professor Michael Beesley's inquiry concluded that private companies should be allowed to lease lines from BT and offer services on them to third parties. BT objects strongly, and has been given eight weeks to justify its case.



Bob Hutchison

Another problem comes in defining where the telecommunications boundary, for which BT wants a monopoly, begins. The convergence of data processing and telecommunications technologies has made the definition of "transmission" an obscure and technical debate.

The report gives examples of three categories of value added network services. First, there are those already available in the UK either from BT itself or firms licensed by it. These include bleepers, car telephones, personal answering services, facsimile and viewdata.

Then there are the private networks currently restricted to internal use, such as airline seat reservation. Some organisations told Professor Beesley they would like to extend their internal networks to suppliers or customers.

The third category, so far largely confined to the U.S., depends upon the reselling or sharing of leased circuits.

Those who want to end the telecommunications network monopoly argue that free competition would stimulate the brave new world of information technology and that companies would offer many new services. Sir Keith told Parliament last year that he expected that liberalisation would lead to a significant growth in information, data transmission, educational and entertainment services provided over the telephone circuits.

However, in the U.S., where telecommunications have been progressively liberalised since the late 1960s, the growth in non-voice communication has been less than expected. Professor Beesley says that in the 1960s, AT & T the U.S. communications giant, had been widely expected to carry 30 per cent non-voice communication — such as data, electronic mail and telex — by now. In fact, 93 per cent of AT&T's traffic is still speech.

MCI, one of the most successful U.S. "specialised common carriers" which was founded in 1972 to concentrate on data transmission, reports that 91 per cent of its business is in voice transmission. Professor Beesley notes that he was unable to unearth any operator in the UK or the U.S. who claimed to make profits on non-voice business alone.

In other words, there is little point in liberalising the monopoly for value added network services if they cannot be predominantly supported, at first, by offering ordinary telephone services at a competitive rate to the public network by reselling capacity on leased lines.

The major part of the argument over the next two months will centre on the impact that the Beesley recommendations would have on British Telecom's revenues and profits and on the rise in residential users' charges that would result.

BT estimates that by 1984 it would lose £110m of revenue if companies were allowed to resell capacity on its circuits. If new competing networks are allowed it says the loss of revenue could be several hundred millions more.

But Beesley thinks BT is unduly pessimistic. Whereas British Telecom says that residential customers' charges would rise by at least 50 per cent, he estimates that the annual residential charge of £60 would go up only £6.40 calculated on the basis of the Post Office's £110m figure.

Professor Beesley argues that the liberalisation of the value added networks should occur even if present Government constraints on British Telecom's pricing and investment programme are maintained. But he says these would be illogical in a regime of freer competition.

If the Government allows almost total competition with British Telecom both in reselling services and competing networks, yet still insists on limiting its borrowings and controlling pricing, it will effectively be asking it to run in a race with a hobble.

On the other hand, if British Telecom is free to price its services as Professor Beesley recommends and is allowed to invest at the level it would like, it would be an extraordinarily strong competitor.

The most likely competitors for British Telecom will be banks, insurance companies and oil companies with their own extensive private networks which could resell excess capacity and reduce their own substantial communication costs.

The leading candidate to set up an alternative network to British Telecom is a consortium of Barclays Merchant Bank, BP and Cable and Wireless, which is conducting a feasibility study on the technical problems. However the network could be expensive — an initial cost of £50m is likely — and would take several years to set up even if the DoI said "yes" the day the Bill becomes law.

By 1985, BT exects to have a fully digital network linking major centres and a small dish business satellite system. Both would offer many advanced services that are not yet available. So the consortium faces the prospect of having to compete against a vastly improved BT service.

One of the driving forces for change in the telecommunications network has been BT's poor level of service. Apart from drawing unfavourable comparisons with the U.S., most companies, particularly in London, have complained about the lengthy delay in provision of basic facilities such as telex, modern PABXs and private circuits.

But a report published this week by the Post Office Engineering Union on the American telecommunications system written by Mr. Roger Darlington, its assistant research officer, argues that the U.S. system is better than Britain's solely because of high and regular investment. It points out the American system has 55 per cent more fixed assets per telephone than the UK.

Stepping outside his remit Beesley has also said it would be consistent to resell international circuits, although BT should receive a royalty for loss of revenue. BT views this prospect with horror as the international business is the fastest growing and the most profitable.

Competition on international circuits also raises the prospect of a possible competitive satellite system between the U.S. and UK. A small dish system could enable companies to have direct access to a communications satellite over the Atlantic through small aerials on the roof of their buildings. If that happened, it would also be possible to use the same satellite as an internal UK communications system.

A satellite used solely for the UK would be uneconomic because of the short distances to be covered and the problems of local distribution, although it would be a different proposition if it carried trans-atlantic communication as well.

If the Beesley recommendations are implemented by Sir Keith, the sharp edge of competition, combined with prods from the DoI on services where there is no competition, may transform British Telecom. In spite of some excellent top managers and competent staff it remains a bureaucratic monolith, reminiscent of its days as part of the Civil Service.

Letters to the Editor

Monetary control

From Messrs. G. Wood and M. Thomas

Sir,—As Peter Riddell pointed out (April 22) all the broader measures of money, and particularly £M3, the target aggregate, have been growing slowly for the past three months. In our view, however, this observation should be interpreted with great care. It does not indicate that monetary control has at last been gained in the UK. Rather it seems to have been the outcome of a combination of exceptionally favourable factors.

Central government borrowing requirement was low — £2.215bn — over these three months. This was in part a consequence of the Government's overspending being concentrated earlier in the last financial year and in part a consequence of the bunching of tax payments that always occurs in the three months for which we have just had monetary data.

Funds have been flowing into National Savings at an exceptional rate. If this rate were to continue, the Government would raise £4.5bn through that medium in the current year. (This surge in National Savings is almost exactly matched by a sharp slowing in the growth of deposits with building societies.)

Gilt sales have been very large, particularly in the weeks following the budget. There has, however, been no fresh funding for almost a month; the outstanding calls on partially paid gilts will bring in funds only until the end of May. And also by May, the seasonal dip in the CGBR is likely to be over. National Savings may be boosted by the lowering of the age of eligibility for "Granny Bonds," but by that time, the fact that bank lending has been running at a rate close to twice the average of the final three months of 1980 may be having a substantial effect on the aggregates.

Recent monetary data can provide no justification for any claim that last year's monetary excesses were an aberration. Reform of UK monetary control techniques is as necessary now as it was then.

Geoffrey E. Wood,
Michael J. Thomas,
Buckmaster and Moore.
The Stock Exchange, EC2.

Lord Keynes on investment

From Mr. K. Graves.

Sir,—Samuel Brittan's article, "Lord Keynes on investment" (April 13) was fascinating. One must agree with his general point that public works capital expenditure is not "a costless option;" but one finds it difficult to know what he is getting at in his detailed arrival at that conclusion. More specifically, Mr. Brittan makes certain conjectures on points about which Keynes was quite specific.

We are, I think, talking about the interaction of the accelerator and the multiplier—and certainly consumption and investment are two major determinants of economic growth. Much of course depends on the stage we have reached in the trade cycle and on the level of unused capacity. Keynes believed that if it were impracticable materially to increase investment, there would be no means of securing a higher level of employment except by increasing consumption. Moreover, he declared that "there may be a little too much emphasis on increased consumption at a time when there is still much social advantage to be obtained from increased investment." His view was that "the wisest course is to advance on both fronts at once."

Mr. Brittan suggests that Keynes desired to "see a saturation of the economy with capital." Indeed Keynes spoke of "aiming at a socially controlled rate of investment with a view to a progressive decline in the marginal efficiency of capital"; but at the same time he would "support all kinds of policies for increasing the propensity to consume"; for it was "unlikely that full employment could be maintained, whatever we may do about investment" unless this were so.

Your contributor "presumes" that Keynes believed that fluctuations came largely from fixed investment. Indeed Keynes laid great stress on "the vagaries of the marginal efficiency of capital which, in his view, was subject to 'violent oscillations.' In his view, the succession of boom and slump could be 'described and analysed' in terms of about marginal efficiency of capital relatively to the rate of interest."

Stagflation and slumpflation are relatively new phenomena and Keynes wrote for his times; but he was concerned that "consumers will spend less than the increase in aggregate supply price when employment is increased" and that therefore "the increased employment will prove unprofitable unless there is an increase in investment to fill the gap." "Every weakening in the propensity to consume . . . must weaken the demand for capital as well as the demand for consumption."

I hope, Sir, that I have not made confusion worse confounded.

K. T. H. Graves,
187, Pensby Road,
Heswall, Wirral.

Right for the wrong reasons

From Mr. J. Hearn

Sir,—The current argument between monetarists and Keynesians should resolve itself in the next year or two. What is worrying a monetarist economist is that the predictions of the wrong side will be proved right for the wrong reasons.

When it came to power the Government and its advisors, for the most part, said the right things but did the wrong things. In order to bring monetary growth into line with growth in output the Government should have reduced public expenditure with the effect of releasing public sector labour. For political reasons and because of union strength the Government was forced to maintain employment in the public sector. This then shifted the burden of adjustment to the private sector. The need to replace printed money by borrowed money raised the rate of interest and this in turn raised the external rate of exchange. The result has been unemployment in the private productive sector and job protection in the public unproductive sector.

The private sector recession led to a growth in the public sector borrowing requirement which led to a further mistake by Government, namely the abandonment of the £8.5bn PSBR for 1980/81. A PSBR of approximately £13.5bn provoked not only high interest rates but also a monetary expansion for 1980 of 19.6 per cent (M3). As all monetarists know this will cause inflation to accelerate towards the end of this year despite what Nigel Lawson says and hopes.

A monetarist analysis of where Government policy is leading points towards a weakening of the country's industrial base and a rise in the rate of inflation. Unfortunately the conclusions of this analysis are the same as the current crop of predictions being made by Keynesian economists and highlighted by the recent statement presented by 364 economists to Mrs. Thatcher. The difference lies not in the conclusions but in the casual analysis. Keynesians are at present saying that there is insufficient total demand causing unemployment whereas monetarists argue that there is too much demand being created through an unproductive public sector. The monetarists believe that this will cause inflation whereas the Keynesians argue that inflation will occur as a result of rising costs rather than excessive demand.

Why has this happened when the Government is an avowed believer in monetary discipline? The reason is that many Government advisors are supporting the current policies as if they are the policies that should be pursued by a Government aiming to eliminate inflation from the economy. It is likely that many monetarist advisors to Government are nothing more than career-minded, one-time Keynesian economists. For example they are still using a Keynesian analysis when they argue that monetary expansion accommodates higher prices rather than causes higher prices. They therefore argue that the 19.6 per cent monetary expansion of 1980 will accommodate the higher prices of 1980 rather than cause the higher prices of 1981/82. So when inflation begins to accelerate they will be discredited and so, by implication, will monetarism.

It is feared that within the next two years this analysis will be proved correct, Government monetarism will be proved to be incorrect and the Keynesians will seem to have been right for the wrong reasons. Even worse, Keynesians will return to the forefront of politic-economic thinking and push us further down the road to ruin.

J. B. Hearn.
71, Upway,
Rayleigh, Essex.

No Moscow collusion

From Mr. K. Romanov

Sir,—Your article (March 31) alleging collusion between South Africa and the Soviet Union over gold is completely without foundation.

The Soviet Union has no contacts with the Republic of South Africa over gold, diamonds or platinum or anything else. The Soviet Union condemns the racist policies of the Pretoria regime and does not support and cannot support or maintain diplomatic, economic, commercial or any other relations with it.

In view of the extensive co-operation between western countries like Britain with South Africa, above all in the military field, it is justifiable to wonder whether or not this fabricated allegation of Soviet-South African collusion was not launched as a propaganda smokescreen.

It is worth noting that both De Beers and the Anglo-American Corporation have denied the allegation too.

Kiril Romanov.
Novosti Press Agency,
4, Zubovsky Boulevard,
Moscow, USSR.

Planning consent

From Mr. S. Burgess

Sir,—Whatever happened to the Secretary of State's directives purporting to give a fairer deal to planning applicants? As yet another victim of an Alice in Wonderland decision, I can assure him that bureaucratic hyprocrisy and cant still predominate.

Having an accepted "double-garden" plot and a house too large for my requirements, I sought to build for my retirement a small dwelling place. Some might consider this a laudable action conferring as it would benefits not only to myself but to the homeless and the builders etc.

In the Inspector's report of the recent appeal hearing, it was admitted that I had precedent, consistence and equity in my favour. A Daniel come to judgement? Alas! not so! The appeal was rejected. Apparently the "amenity" of my small plot with its tatty garage, countless weeds and minor bottle-dump was sufficiently endearing to warrant its maintenance. So what does one need to win an appeal?

Although I no longer delude myself that we live in a free society, I endeavour to be charitably disposed to bureaucrats who are my undoubted betters in this world. I comfort myself that the only way I can justify my temerity in submitting a planning application will be to bequeath the plot in question to any old bureaucrat in the certain knowledge that not only will he obtain the necessary permission but that he will build to such architectural perfection that the value of all the neighbouring houses will escalate.

It is hoped that my satisfaction will be gained in the life hereafter when I will be able to sit on my little white cloud and view the "jackals" fighting in my garden. Perchance to dream? Ah! there's the rub! With my proletarian luck I'll probably finish up beneath the sod!!

S. G. Burgess.
23 Mount Avenue.
New Milton,
Hants.

EEC budget maze

From the Deputy Director-General UK, Agricultural Supply Trade Association

Sir,—Mr. Wyles' article on the EEC budget maze (April 15) was most illuminating, but there is one error of fact.

The amount of VAT revenue collected by each member state is immaterial to the Community's entitlement to member states' VAT-based contributions. The formula by which the Community's revenue ceiling is fixed, apart from Customs duties and agricultural levies, is that each member state is liable to pay up to 1 per cent of its "VAT assessment base." This is defined in the Council's "sixth directive" and is not dissimilar to conventional descriptions of personal consumption in the overall context of gross domestic product. Otherwise, of course, every time a Government raised its domestic rate of VAT, the Community would get a corresponding rake-off.

Roger W. Dean.
United Kingdom Agricultural Supply Trade Association,
3, Whitehall Court, SW1.

Unpaid bills

From Mr. A. Nabhan.

Sir,—Referring to H. Mainz's letter (April 23), the inconvenience and hardship inflicted on small businesses by the civil servants are really under-stated.

After having taken all the beatings by the Government's economic policy, the "beleagured" small businesses are now trying to re-organise themselves just to survive and meet world competition, only to face again another hurdle—this time not the Government but its "yours obediently" civil servants.

Export houses get VAT repayments every month but payment is now due to us for February and March 1981, and very soon April too will be due. We are talking about several thousands of pounds owing to us so far, and unless the Government steps in quickly and arranges the repayments through any other medium than from the VAT office, whatever export orders we have on hand may not be shipped.

It is businesses which create wealth and also collect taxes for the Government and it is the responsibility of any "responsible" Government to see that these businesses are not "butchered" because it has dispute with its servants.

A. P. Nabham.
Sivers,
3, High Street,
Slough,
Berkshire.

Advertising cigarettes

From the Director, Action on Smoking and Health

Sir,—In his informative piece (April 21) on the world tobacco trade, David Churchill states that in the UK the health lobby is pressing for a ban on all cigarette advertising ". . . except at point of sale."

I am writing to point out that whereas point of sale advertising was excepted in the past, in the strategies proposed for dealing with our epidemic of smoking diseases, this is no longer the case. In the last few years, far too much has been learned about the manufacturers' exploitation of every possible loophole and exception in tobacco advertising regulations around the world to contemplate such an exception here. The strategy so urgently required includes far more than action on advertising; but in that area it must, as in Norway, include an end to all forms of promotion of a product which now causes, according to the most authoritative medical estimate, 95,000 premature deaths each year in this country.

David Simpson,
Action on Smoking and Health.
27-35 Mortimer Street, W1.

Today's Events

GENERAL

UK: Sir Keith Joseph, Industry Secretary, addresses Electrical Contractors Association on industry and the future, Leeds.

Mr. Rupert Murdoch, Times Newspapers chairman, speaks at Advertising Association lunch, Savoy Hotel.

Ford Union officials meet management to discuss efficiency, Bayswater.

Dockers shop stewards call mass meeting to discuss pay dispute, Southampton.

UK Federation of Business and Professional Women annual conference opens, Scarborough (to April 25).

Mr. Denzil Davies, Opposition Foreign Affairs spokesman, addresses public meeting, Loughborough.

Overseas: Mrs. Margaret Thatcher visits Qatar (to April 25).

Lord Carrington, Foreign Secretary, continues visit to West Germany.

Mr. Kenneth Baker, Information Technology Minister, meets Government and industrial leaders, Tokyo (to April 25).

OFFICIAL STATISTICS

Department of Transport gives details of new vehicle registrations for March.

COMPANY MEETINGS

Aquis Securities, Clarendon Court Hotel, Maida Vale, W, 12. Bridgewater Estates, Midland Hotel, Manchester, 12.15. Britannic Assurance, Moor Green, Moseley, Birmingham, 12. New Equipment, Croxdale, Co. Durham, 9.30. Record Ridgway, Parkway Works, Kettlebridge Road, Sheffield, 3.30. Tomatin Distillers, Mayfair Hotel, Stratton Street, W, 12.15. Weber Holdings, 63 Piccadilly, W, 2.30. H. Woodward, Altcar Works, Formby, Liverpool, 3. F. W. Woolworth, Connaught Rooms, Great Queen Street, WC, 11.45.

Vickers jumps £21.3m as business content changes

PRE-TAX profits of Vickers showed a £21.3m advance to £28.6m for 1980 and, as forecast at the time of the merger with Rolls-Royce Motors, the net dividend total is increased from 9.814p to 12p with a final payment of 7.45p.

Turnover rose from £389.8m to £493.2m. The taxable profit was after interest of £16.3m (£13.2m) but included £8.9m (£0.6m) interest on nationalisation in respect of prior years and a £0.5m (£0.4m) share of associates.

A combined Vickers/Rolls-Royce sales and trading profit—£35.5m (£19.5m)—analysis by principal activities shows: engineering equipment including design and projects £187.2m (£155.1m) and £18.3m (£9.5m); engineering products and business equipment £126.1m (£112.4m) and £4.8m (£4.9m); cars £119.8m (£100m) and £8.7m (£10.5m); lithographic plates and supplies £65.9m (£63.8m) and £9m (£8.9m); overseas engineering £61.6m (£50m) and £3.4m (£0.1m loss); discontinued activities £35.9m (£66.8m) and loss £4.4m (£2.3m). Pre-acquisition profits of Rolls-Royce Motors totalled £4.3m (£11.9m).

Tax for the 12 months took £1.8m (£3m), there were minority profits of £0.9m (£0.4m losses) and extraordinary debits substantially higher at £14.8m (£1.2m). Dividends absorbed £9.2m (£4.7m) and £1.9m (£1.2m loss) was retained. Including interest on nationalisation for prior years earnings per £1 stock unit improved from 9.8p to 34.8p, and excluding such items they are up from 8.5p to 22.7p.

At midway pre-tax profits were ahead from £6.39m to £12.62m. On a CCA basis the profit for the year was £16.7m.

HIGHLIGHTS

Lex looks at the revised terms from **Standard and Chartered** which match the offer from **Hong Kong and Shanghai** for the **Royal Bank of Scotland. Dunlop** has produced its full year results showing a profits setback from £34m to £10m and cut dividend. The group also discloses that it is breaking away from its ten year old agreement with Pirelli. The first major company to tap the post-budget stock market strength with a rights issue is **Rowntree Mackintosh** with a £42m cash call, though full year profits are well down. Lex also reviews the first full year figures from **Vickers and Rolls-Royce Motor** and then briefly considers the figures for institutional investment during 1980. Other rights issues yesterday came from **Elbar** and **Electrical and Industrial Securities.** On the bids front **Associated British Engineering** goes for **Hirst and Mallinson** while **British Dredging** firmly rejects **RMC.**

Sir Peter Matthews, chairman, points out that three significant events combined to precipitate a major change in the content and direction of the group's business during the 12 months.

First, the International Machine Division (IMD) of Roneo Vickers was sold, substantially reducing group borrowings.

Secondly, conditional agreement was reached with the Government on the amount of compensation to be paid for nationalisation of the aircraft and shipbuilding businesses. This also improved the group's cash position and removed the hinderance to freedom of business [illegible] of the last six years.

Thirdly, the group merged with Rolls-Royce Motors, this being the first major constructive step towards re-establishing the group's business post-nationalisation.

The process of reducing and rationalising business to meet falling order books and intensified competition, which was begun in 1979, continued throughout 1980.

Redundancy costs within continuing operations of £1.4m (nil) were set against pre-tax profits, and further redundancy and closure costs of £3.5m (£0.9m) were charged or provided as extraordinary items.

The profit before extraordinary items, and after the interest received on the outstanding nationalisation claim, is considerably higher than that achieved for 1979. Extraordinary items mainly represent the losses on the settlement of nationalisation, the sale of the IMD business, and reorganisation, redundancies and closure of businesses.

The balance sheet at the year-end shows that cash and bank balances rose to £14m (£9.1m) and bank overdrafts were reduced from £21.1m to £12.4m. Shareholders' funds increased from £158.6m to £213.3m.

See Lex, Back Page

Rowntree declines to £31.4m

FOR THE 53 weeks to January 3 1981 pre-tax profits of Rowntree Mackintosh, confectionery manufacturer, fell to £31.4m, compared with £40.4m for the previous year. A rights issue to raise some £42m is also announced.

In his first annual statement as chairman, Mr. Kenneth Dixon reports that high interest rates and the strong sterling exchange rates tended to erode profits. For 1980 interest charges rose from £8.6m to £14.9m and depreciation from £11m to £13.9m.

Although the profit fall cannot be regarded as satisfactory, Mr. Dixon says there was much in the group's performance to encourage the board for the future.

In most markets important to the group, market shares were maintained or increased. UK exports rose in value and were little changed in volume. The group continued its fixed assets investment programme at about the same level as in 1978 and 1979 and still reduced borrowings from £63.8m to £55.7m by the year end. Capital expenditure in the UK amounted to £23m, the bulk of which was on projects designed to improve the efficiency of manufacturing and distribution operations.

Turnover for 1980 totalled £629.8m (£601.3m). Tax took £8.5m (£6.5m), minority profits and preference dividends £0.2m (£1.7m) and extraordinary debits £5.3m (£5.1m).

Earnings per 50p share fell from 29.8p to 20.9p but the final dividend is 4.75p net, holding the total of 7.25p at a cost of £7.9m. *An at least maintained payment on increased capital is forecast for 1982.*

The rights issue is on the basis of one-for-four at 160p. Dealings in the new shares are expected to start on April 27.

The issue has been underwritten by J. Henry Schroder Wagg and Co. and the brokers are Cazenove and Co.

See Lex, Back Page

Dunlop plunges to £10m after poor second half

PROFITS before tax of **Dunlop Holdings** plunged £24m in 1980 to £10m after the group's second half performance was badly hit by a shrinking UK market and a strong pound which reduced export margins and encouraged competition from imports.

After the first six months, the company reported a pre-tax surplus of £15m, £3m down on the corresponding period, but the deepening recession in the UK hit hard those divisions of the company trading with the automotive and engineering industries and in consumer products.

Operating profit in 1980 was £50m compared with £66m. But the 1979 figure included £2m profits from Dunlop SA and Pirelli which are not now subsidiaries but associated companies.

On a comparable basis, operating profits fell £14m, of which £9m related to the results of UK businesses in the second half.

After current cost adjustments, the pre-tax profit was turned into a loss of £30m (£16m).

The board is recommending a final dividend of 1.35p, making a net total payment for the year of 4p (5.3p).

Sales fell from £1.59bn to £1.39bn, but the directors say this was mainly because of the exclusion of the sales of Dunlop SA and Pirelli.

Adjusting for this change, total 1980 sales were 2 per cent higher, with overseas sales 3 per cent up at £834m and UK sales unchanged at £552m. Exports from the UK increased [illegible] per cent to £149m.

All the group's other trading divisions — engineering, consumer/industrial and sports — suffered reduced profits.

The directors say the group's companies outside Europe have made a satisfactory start to 1981 but in Europe there are no reliable signs as yet of a recovery from the depressed levels of the second half of 1980.

The considerable work done to improve productivity and achieve a lower cost base will, however, stand the group in good stead when there is an improvement in trading activity.

They believe the end of the Dunlop-Pirelli union will help the company's management concentrate more single-mindedly on Dunlop opportunities.

Tax took £31m (£30m) and included £19m (same) for overseas tax and £9m (£8m) for associated companies. The loss attributable to minority shareholders was £6m (profit £2m), leaving an attributable loss of £15m (profit £2m). The loss per 50p share emerged at 11.3p against earnings of 1.4p.

Group losses were met by a reduction in reserves of £21m (£6m).

The directors say there is no provision for extraordinary items in the 1980 accounts because the profits on the sale of Angus Fire Armour and on the sale of 25 per cent of the equity in Dunlop Zimbabwe were fully offset by rationalisation costs mainly in the UK.

They also report that exchange rate movements had an adverse effect on the year's results. If the average rates in 1980 had been applied to the 1979 results the profit before tax would have been £2m lower at £32m.

Group borrowings at the year end were £328m, £12m lower than the previous year.

See Lex, Back Page

EIS calling for £2m

Electrical and Industrial Securities is raising £2.1m by a rights issue on the basis of one new share at 92p for every five shares held on April 3.

The company also reported 1980 pre-tax profits of £2.2m (£1.92m) on turnover of £30.7m (£23.2m). Stated earnings per share are 19.8p compared with 16.7p. The final dividend is 3.078p, making a total of 4.15p for the year compared with 3.75p. CCA pre-tax profits were £1.09m (£1.03m).

The directors intend to maintain the present dividend this year on the enlarged capital.

Proceeds from the rights issue are to be used for further growth by investment in the present subsidiaries and by continuing the acquisition programme.

Capital investment amounted to just under £1m in 1980. Direct exports increased by 55 per cent to £8.8m and the company says all subsidiaries have adequate order books for effective operation in 1981, although competition for business is keen.

Both turnover and profits are ahead of last year and budget in the first quarter of 1981, but no forecast is given of profits for the full year.

Dealings in the new shares begin on April 27 and the last day for acceptances is May 15. Leopold Joseph and Sons has underwritten the issue and Panmure, Gordon are brokers.

● comment

EIS's first rights issue has an opportunistic appearance. The shares have risen *nearly 50 per* cent in the past year and the *group's net borrowings are only* £1m. However, EIS has a good record and an unusually high success rate with acquisitions, especially in the buoyant aerospace sector where it now earns about two-thirds of its sales and profits. At 117p, up 1p yesterday, the historic fully taxed p/e is just over 13 and the ex-rights yield on the 10 per cent higher dividend is 5.4 per cent.

First half setback for Wm. Low

A POOR START by the new fast foods subsidiary has adversely affected first-half profits of **Wm. Low & Company**, leaving the pre-tax surplus for the 28 weeks to March 21, 1981, down at £835,343 compared with £928,918.

The directors of the group, which also operates supermarkets and freezer centres, say they are considering carefully whether to continue the involvement in fast-foods. They expect second-half results from the other divisions to be nearer those of last year. Total 1979-1980 pre-tax profits were £2.24m (£2.4m).

First-half losses in the fast foods operation amounted to some £225,000, including some set-up costs.

Group turnover increased from £46.93m to £57.47m—supermarket and freezer centre sales rose by 22 per cent but costs, especially energy and interest charges, grew even faster, say the directors.

The interim dividend is held at 2.1p net—last year's final was 5.4p.

SPAIN

April 23	Price %	+ or −
Banco Bilbao	304	
Banco Central	348	
Banco Exterior	269	
Banco Hispano	302	+1
Banco Ind. Cat.	124	
Banco Santander	331	−2
Banco Urquijo	180	+2
Banco Vizcaya	319	
Banco Zaragoza	214	
Dragados	140	
Espanola Zinc	75	
Fecsa	60.2	+0.5
Gal. Preciados	28	−0.5
Hidrola	65	
Iberduero	57.7	
Petroleos	97	+0.3
Petroliber	88	
Sogefisa	81	−4
Telefonica	61	
Union Elect.	64.7	+0.5

Laporte profits fall by £5m

DUE primarily to losses sustained in Stallingborough and the attributable share of losses from the new Interox operation in Houston, U.S., taxable profits of **Laporte Industries (Holdings)**, chemical manufacturer, fell from £16.87m to £11.7m for 1980. External sales amounted to £196.53m, compared with £190.13m, and included £67m (£65.6m) from Interox.

The dividend is cut from 8.75p to 7p net per share with a final payment of 3.5p.

The directors state that the rate of loss in the U.S. is declining, with the build-up of sales and manufacturing capability, but a solution could not be found for the elimination of the Stallingborough problem without the closure of the sulphate plant.

Rationalisation costs from the closure totalled £10.1m and are the major part of an extraordinary debit for the year of £11.07m—included in this item are £3.5m redundancy payments *to be made in 1981.*

Trading in the first three months of the current year has followed the pattern of the 1980 last quarter, but the steps taken should have a favourable impact on profits, the directors state.

The decision to discontinue pigment manufacture on the sulphate plant was unavoidable, the directors say, owing to reduced demand in the UK, coupled with the much lower profitability of exports caused by strong sterling.

Trading profits of £15.42m (£19.67m) were split as to: Parent £5.46m (£7.8m); principal Interox companies £8.12m (£10.14m); other associates £1.84m (£1.74m). Interest charged was up nearly £1m from £2.8m to £3.73m.

Earnings per share are shown as 5.49p (17.17p) on historic figures and as a 9.53p deficit (0.03p earnings) CCA adjusted.

● comment

There were few surprises in the *Laporte figures* as the market was well primed for both the dividend cut and hefty extraordinary item. The shares, strong ahead of the results, moved to 112p a new high for the year, where they gain support from a 9 per cent yield. Staff have been cut by 1,000 to 600 with £3.5m redundancy costs payable this year taken beneath the line. Wages saved and other trimming should reduce fixed costs by £5m in full year. Included above the line is a £1.7m property sale and further disposals will be included next year. Stripping this out, the group's non-titanium dioxide interests barely broke even, in the second half. Losses in the U.S. and Brazil in the face of destocking and strong sterling dragged down Interox earnings. The final dividend reflects the level of maintainable earnings next year, probably around £14m pre-tax, with no full blooded recovery in sight before 1982.

REPORTS TO MEETINGS

Bank chiefs: cautious optimism

Sir Jeremy Morse, chairman of Lloyds Bank, and Mr. Robin Leigh-Pemberton, his counterpart at National Westminster, echoed each other's statements at their separate annual meetings yesterday.

Both expressed "cautious optimism" about trading prospects, and both hit out once again at the Chancellor's proposed "windfall tax" on the banks, and hoped Parliament would reconsider.

Both deplored the industrial action being taken in pursuit of a pay claim by the Banking Insurance and Finance Union.

Mr. Leigh-Pemberton said that "hard evidence was scarce" that the recession had bottomed out but a few key indicators were taking a turn for the better.

He added that the marked slowdown in monetary growth in recent months provided reasonable prospects for reduced interest rates. However, he warned that lower rates would put pressure on banks' domestic earnings making them under considerable pressure to reduce costs.

Sir Jeremy stressed the effect of the recession in the "much higher level of provisions" for bad and doubtful debts, although the bank's position was "properly provided for."

He also warned shareholders again that the changing moves in the takeover for Royal Bank of Scotland—Standard Chartered increased its bid for Royal yesterday—could have an impact on Lloyds' plans to buy Royal's Lloyds and Scottish finance house subsidiary. Lloyds already has just over 50 per cent of L and S, but *full takeover could* be delayed if there were a Monopolies Commission reference of the bids for Royal.

At other meetings yesterday chairman reported:

First quarter results of **British Aluminum Co.** showed a pre-tax loss of £2.4m and a substantial deficit was expected for the first six months, Mr. Utiger, chairman, told members.

Large cost savings were being affected in all parts of the group, but prospects for the second half depended heavily on the "timing and extent of the forecast recovery in the UK economy and on trends in the international aluminium industry."

The current year had started slowly at Steetley Co., and the pattern of activity was similar to that in the closing months of 1980, Lord Boardman, chairman said.

Although there were some signs that the worst of the recession was over, he did not anticipate this coming through in increased sales until the latter part of this year.

The group was continuing with a high level of capital investment *and was seeking suitable* acquisitions.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Anglo Scottish¶ ......int.	0.9	July 2	0.9	—	2.8
Arlen Electrical ......int.	1	July 1	1.5	—	3
Beauford Group	Nil	—	2.75	0.7	4.15
Bentalls	1.05	June 10	1.05	1.35	1.35
British Assets ......int.	1	July 3	0.85	—	8
S. Casket ......int.	0.5	June 25	0.5	—	1.75
Clive Discount	1	June 16	Nil	1.5	2.12
Combined English	1.66	July 21	1.66	3.15	3.15
De Vere Hotels	3	July 1	3	6	6
Dunlop	1.35	—	2.65	4	5.3
East Rand Gold§	100	June 12	85	200	110
Elect. & Ind. Secs.	3.08	—	2.68	4.15	3.75
Flight Refuelling	1.6	July 3	1.3*	2.55	2.07*
Free State Geduld§ int.	365	June 12	475	—	950
Haden Carrier	8.9	June 16	6.75	12.5	10
Hestair	1	July 1	1	1	1
Huntleigh	0.8	July 1	0.61	1.5	1.19
Laporte	3.5	June 12	5.25	7	8.75
Wm. Low ......int.	2.1	June 1	2.1	—	7.5
McKechnie Bros. ...int.	2	June 10	2	—	7.28
Owen Owen	3.25	July 1	2.7	4.25	3.7
H. Perry	2	July 1	2*	3.5	3.5*
President Brand§... int.	395	June 12	320	—	895
President Steyn§ .. int.	270	June 12	280	—	665
Rowntree-Mackintosh	4.75	—	4.75	7.25	7.25
Rush & Tompkins	2.5	July 6	2.5	3.75	3.75
David Scott	1.5	—	1.5	2.1‡	2.04
J. C. Small & Tidmas	1.5	July 22	2	3	4
Spencer Gears ......int.	0.25†	July 3	0.35	—	1
Steel Brothers	4.85	July 3	4.85	8	8
Travis & Arnold	3.3	—	3*	3.94	3.58*
Vickers	7.45	July 1	5.96	12	9.81
Welkom Gold§ ......int	155	June 12	130	—	280
Western Hldgs.§ ......int.	700	June 12	675	—	1,500
Wire & Plastic	1.22	July 1	1.12	1.95	1.85

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 16 months. § South African cents throughout. ¶ Further details and results for half year to March 31, 1981 will be circulated shortly.

CORAL INDEX:
Close 580-585 (−2)

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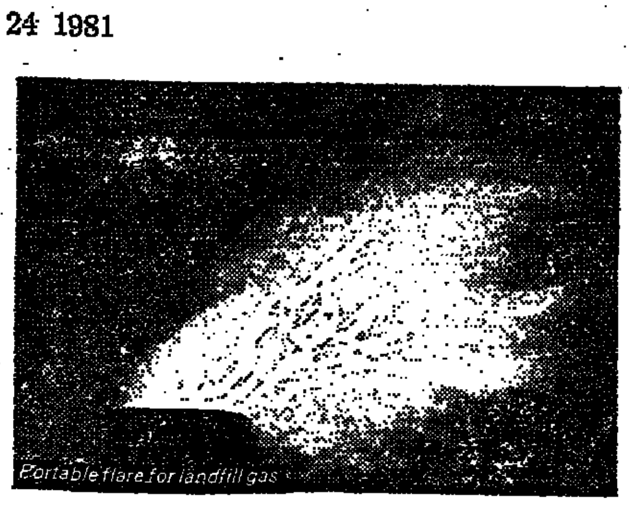
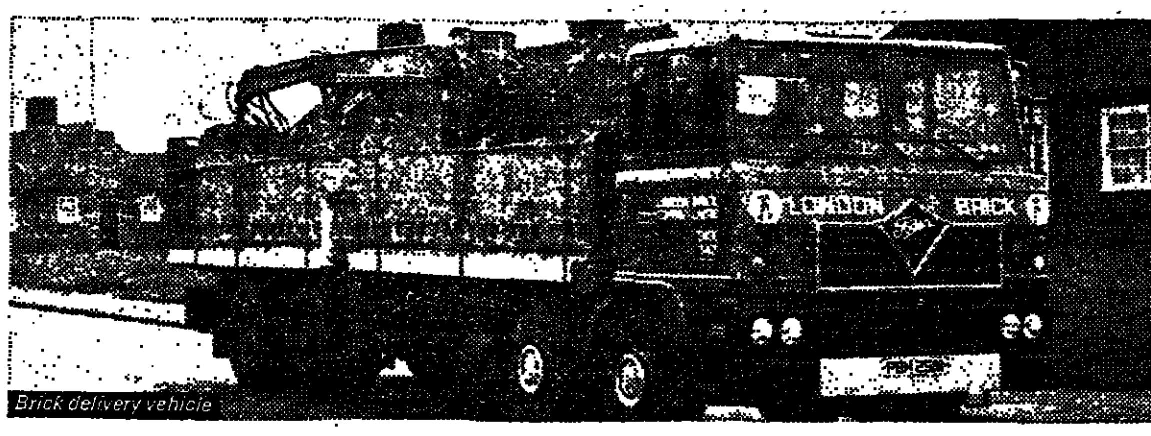

Portable flare for landfill gas


Tree planting for new quarry


Forklift handling of unfired bricks

'London Brick rides the recession'



Brick delivery vehicle

Jeremy Rowe, C.B.E., Chairman.

The following are extracts from the circulated Statement of the Chairman, Mr. Jeremy Rowe, *C.B.E., for the year ended* 31st December, 1980.

The Trading Year

The full impact of the recession was felt in the second half of the year. Profits were affected both by a reduction in brick sales and by the added cost of putting bricks to stock and short-time working. Higher prices helped to some extent to reduce the effect of lower turnover on operating margins.

Overall the achievement of a pre-tax profit for the Group of £10,742,000 compared to £12,741,000 for 1979 was not unsatisfactory and demonstrates London Brick's ability to ride the recession and to withstand what may prove a historically low point in housebuilding.

Construction

1980 was a bleak year for the construction industry. The economic recession and the high cost of borrowing money affected every type of building work and, in particular, the level of housing construction fell to its lowest point for over fifty years. In the private sector 98,000 houses were started compared with a yearly average of 166,000 during the nineteen-seventies and over 200,000 during the nineteen-sixties. The public housing sector fared even worse, with only *55,000 houses started in comparison* with an average of 134,000 in the nineteen-seventies and 169,000 in the nineteen-sixties.

Last year I said that it must remain a matter of national concern whether the current low level of housebuilding was sufficient to provide everyone with one of the most basic of human necessities – a home of their own. Since that time we have witnessed a further reduction in the additions to the housing stock of 31 per cent.

Of course it can be argued that there is now a crude surplus of houses over households but this is an over-simplification and disguises the complexity of the problem. To begin with, these houses are often neither of the right type nor in the right place to satisfy current needs. Also, existing dwellings do not always match up to modern standards.

But the current situation is compounded by the nineteen-sixties 'baby boom' which is now being translated into a nineteen-eighties 'new household boom'. If we are to satisfy this additional requirement alone, and regardless of normal replacement, we should be building an extra 155,000 houses a year – more than the sum total achieved in 1980.

Production and Marketing

The building contractor is more flexible and therefore better able to cope with this lack of a consistent national policy in new housebuilding than continuous process industries engaged in the manufacture of building materials. London Brick has built up a skilled and specialised labour force dedicated to keeping the presses running and the kilns 'burning' bricks. Over the years we have sought to insulate ourselves from the 'boom or bust' attitude to housebuilding by the creation of our own brick bank and by progressive methods of adjusting output.

In 1980, as stocks rose, the first step was taken of eliminating production overtime. By the autumn it became obvious that this was not enough and all fletton brickworks went onto a four-day week. Whilst this produced a significant cut in our wages bill it did not prevent an inevitable and sizeable increase in our unit costs. The trade unions were kept fully informed and their response was both realistic and statesmanlike.

In spite of the measures taken we had by the year end over five hundred million bricks in stock. This heavy investment in our brick bank has been made with the benefit of past experience and in the belief that bricks produced at historically low cost will be needed and will be sold profitably when construction revives.

Since the end of the year it has been necessary to further reduce production and the decision has therefore been taken to close Ridgmont Works.

Our market share, particularly in housebuilding, is such that during 1980 deliveries were considerably reduced. This did not mean that our sales force did not make a great effort to obtain what business was available and in particular to increase our penetration into other markets.

During 1980, the eventual goal of mechanically handling all our bricks on building sites came a great deal nearer through the almost universal adoption of LBC Strapak bricks. In this system, bricks are supplied in packaged units and in most cases the units are delivered on London Brick vehicles fitted with self-unloading equipment.

Long Term Planning

Last year, I mentioned our long term plans to replace, over a period of time, fletton brickworks in Bedfordshire and at Whittlesey in Cambridgeshire. Old works such as Stewartby have been extensively modernised over the years and indeed could remain profitable for many years to come. Why then are we seeking to replace them? The reasons are simple. With the benefit of the latest technology, higher quality fletton bricks can now be made at a lower cost in more modern designs of factory. These will provide improved working conditions and greater security of employment for our workforce. Both the layout and location of new factories will allow our operations to be much less obtrusive, to the benefit of the inhabitants and environment of basically rural areas. Finally, it is only through the construction of modern kilns with higher stacks that an immediate improvement in air quality will be made, and unlike existing kilns, allow the future fitment of any practical gas filtration plant which may be developed.

Detailed reports confirming this have been produced both by the Department of the Environment and by independent consultants commissioned by Bedfordshire County Council. Both reports stress the benefits for air quality which would result from the developments for which planning applications have been submitted. In particular, the consultants recommended Bedfordshire County Council to approve the first stage of the replacement for Stewartby Works. Despite this advice the County Council attached conditions which made it impossible to implement the new works part of the plan, whilst providing consent for future mineral extraction at the existing plant. It is, however, pleasing to be able to report that on the 26th March 1981 our application for permission to build a new works at Ridgmont was considered and that consent was granted.

In Cambridgeshire, the County Council has greeted our plans for that area with some enthusiasm and by the end of the year had indicated, in principle, their approval for the construction of a new five million bricks per week factory at Whittlesey.

The planning consent granted last year by Bedfordshire County Council has assured us access to mineral reserves in Bedfordshire for many decades to come. In future, these minerals will be extracted with environmentally improved methods and the operations screened by extensive tree planting. Many of the saplings are grown at our own seven-acre tree nursery at Stewartby where foresters work under the professional supervision of the Company's Environment Officer.

Both our Estates and Engineering departments are involved in the detailed planning and efficient execution required to open up new pits. Their expertise and skills would, however, be of little avail without the preparatory work undertaken by the Company's geologists in their continuing search for and analysis of the Oxford clay.

Geology

Although Oxford clay has been known for centuries, it was only in 1881 that its unique fuel content and suitability for brickmaking was discovered at Fletton, near Peterborough. This clay is the basic raw material used for fletton brickmaking. It supplies not only the mineral containing the necessary moisture content for brick pressing but the majority of the fuel required to fire the kilns themselves.

Surveying and analysis of Oxford clay throughout our operations is the role of the Geology section of our Research department. The section operates a mobile drilling rig, capable of removing cores to a depth of 1,000 feet.

London Brick Landfill

Geological research has shown that the clays around and beneath our quarries are impervious and it is this property and their depth which makes them particularly suitable for land restoration by means of controlled landfill. London Brick Landfill was formed therefore a decade ago to provide an essential service to local authorities and industry for the disposal of household and industrial waste, and in so doing to restore exhausted clay workings to productive use.

A particular milestone was the inauguration two years ago of the Hendon waste rail transfer scheme, providing a disposal service for the domestic waste of three London Boroughs. During the past year, this scheme has been followed by an equally large project for the disposal of domestic refuse collected and compacted by the Greater London Council at their transfer station at Hillingdon in London.

The results illustrate the long term benefits which have stemmed from the formation of this 'home-grown' subsidiary a decade ago, with its extensive development and investment in industrial buildings, refuse transfer stations, engineering plant and equipment and in the landfill sites themselves.

During the year the Company, in conjunction with the Department of Energy's Energy Technology Support Unit and the Department of Environment's Waste Disposal Unit, has been carrying out a research project investigating the factors *affecting the generation of natural* gases in the landfill site. The most important constituent of the gases is methane, the major contributor to the heating power of North Sea Gas.

This gas is of a low grade compared to normal piped supplies and the total volumes potentially involved would not appear to warrant the cost of refining. However, in our case brick kilns are close by and offer a possible means of recycling the energy recovered from the landfill site in its crude form. Whilst at this stage the gases collected must be flared off, the research work is now moving on to evaluate the potential of the gas in unrefined form for firing fletton bricks.

It would, however, be wrong to *over-emphasise the potential* value of landfill gas. Considerable cost may be entailed in using the gas effectively and with the volumes and values involved it must be in the immediate locality that use is found for the energy.

Farming

Agriculture, and in particular our subsidiary London Brick Farms Limited, forms the important 'third link' in the cycle of land use which results from brickmaking. Just as land is farmed prior to mineral extraction, so land restored is returned normally to agriculture.


Rough terrain vehicle for Landfill

During 1980, 60 acres of restored land at Stewartby produced its first harvest, with a yield of over 2 tonnes per acre of winter wheat. Near Peterborough, the 280 acre Clapgate Farm was purchased during the year and let to London Brick Farms.

The dairy herd, based at Manor Farm, Yaxley, has now been built up to the full strength of 300 Friesian cattle. During the year the majority were heifers in milk, providing good yields.

Arable farming, based in Bedfordshire, produced very good yields for the 1980 crops, with winter wheat in particular yielding 2½ tonnes to the acre.

Subsidiaries

The breadth of the present recession *is such that activities in widely* differing fields have all been affected by the economic downturn and as a result the broader base of activities of the subsidiary companies has not provided the buffer against a downturn in housebuilding to the extent that was originally hoped.

Banbury Alton, acquired originally to provide the Company with a stake in prefabrication, home improvement and leisure, has proved a most unrewarding investment and in 1980 incurred a substantial loss. The problems relate to the effect of the recession on their various markets and have been compounded by poor management. During the year, following a series of detailed investigations, a *major reorganisation* was planned and a new senior management team recruited. The reorganisation will involve substantial costs and these have been provided for in full as an extraordinary item in the accounts. It is as yet too early for the changes that have been made to prove their effectiveness but there should be a progressive improvement through the current year.

New management at Midland Structures has trimmed back production and reduced the labour force to match the lower demand for structural steel. The steps taken have stemmed previous losses and are now bringing a return to profitability.

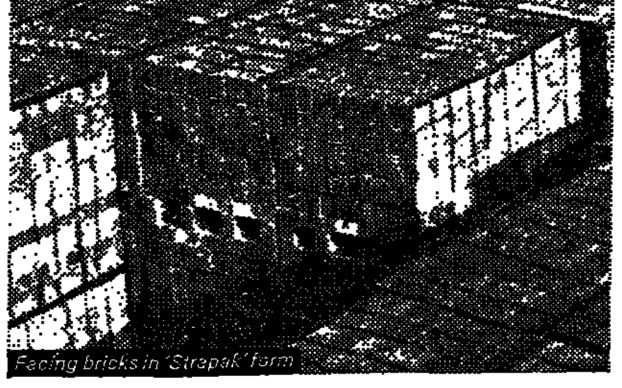
Finally, 1980 has proved a satisfactory year for Croydex. In spite of the fall in the retail trade and the effect of a poor summer, encouraging progress has been achieved in its houseware, bathroom and garden markets.

Tribute

This has been a year in which the group has been hit by the sheer force of the recession and its impact on our different markets. In these trying circumstances employees have given their continued support and have reacted realistically to the sometimes unpleasant steps that have had to be taken. This speaks well not only of our industrial relations but of the loyalty and good sense of our many employees.


Lateral testing of brickwork


Cattle on a London Brick Farm


Facing bricks in 'Strapak' form


Sailing lake, once a quarry

Bricks for homes, homes for people...


LBC Facings used for the award winning Avondale Estate

To: The Secretary, London Brick Company Limited,
12 York Gate, Regent's Park, London NW1 4QL

Please send me a copy of the Annual Report

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UK COMPANY NEWS

McKechnie hit by recession

THE SEVERITY of the UK recession and increased interest charges due to the acquisition of Airfix last November have virtually halved pre-tax profits of **McKechnie Brothers** in the half year to January 31, 1981.

On turnover down from £68.18m to £60.35m, the surplus fell to £4.14m against £8.24m after interest charges of £1.35m (£921,000).

The directors of the group, which is engaged in engineering and the manufacture of non-ferrous metals and chemicals, say that although UK conditions remain very depressed they do not seem to be worsening. They expect greater stability of demand over the next few months before a gradual pick up occurs.

The reorganisation of the major South African interests will not affect profits from that source this year, they add, and continued favourable trading conditions should give good overseas results in the second half.

Operating profits on the first half fell from £6.38m to £2.25m and the pre-tax surplus included associates' earnings of £3.25m against £2.78m.

After a much lower tax charge of £896,000 (£3.35m) and minorities, the attributable balance emerged at £3.17m (£4.74m).

Earnings per 25p share are shown as 6.8p (11p) and the net interim dividend is maintained at 2p—last year's final was 5.2765p.

● comment

For the present it seems that McKechnie's business is best seen as the sum of two parts: stable growth from its, mainly South African, associates — volatility in the UK. Both views need some qualification. There are signs that the South African economy is beginning to level off; after impressive 50 per cnet expansion last year, associate profits are now rising at about 15 per cent. Still they now contribute 60 per cent of the pre-interest profits. UK operating profit has fallen by 65 per cent, reflecting slackness of demand across the board. The UK operations, which include a number of recent acquisitions, should have the potential to earn more than the £10.1m seen in 1980. But there is no prospect *that they will do so this year.* A pre-tax total of £9.5m for the whole group seems a more likely outcome, suggesting a fully-taxed p/e of 13—diluting for the shares issued to purchase Airfix Plastics —while a maintained dividend yields 8.6 per cent on yesterday's price of 122p (down 5p).

Travis and Arnold

DESPITE A slide in 1980 pre-tax profits from £7.25m to £6.59m, **Travis and Arnold**, the builders' and plumbers' merchant and timber importer, is raising its total dividend from the equivalent of 3.58p to 3.94p net with a final of 3.3p.

The surplus this time was after interest charges of £221,000 (£615,000) and included profit on the sale of properties of £84,000 (£236,000). Turnover improved marginally from £96.83m to £97.88m.

For the current year the directors state that the first quarter has resulted in sales and trading profits being considerably below the levels of a year ago.

Current cost accounting reduces the pre-tax figure to £3.99m.

The directors point out that group bank borrowings of £7.4m at December 31, 1979, have been eliminated and replaced by net cash at bank amounting to £2.17m.

Net assets have increased by £9.84m to £34.9m—equivalent to 203p per share, against 145p—as a result of retained profits of £6.09m and a surplus of £3.75m arising from a revaluation of the group's properties.

G. Spencer halfway downturn

PRE-TAX PROFIT of **Spencer Gears (Holdings)** for the six months to the end of 1980 plunged from £181,000 to £54,000 on increased turnover of £3.1m, compared with £2.99m.

In the last financial year, this general engineer and industrial gear manufacturer, made a profit before tax of £429,421 (£450,363) and turnover was £6.66m (£4.97m).

The directors have declared an interim dividend of 0.25p (0.35p net) per 5p share on the enlarged capital: last year a total of 1p was paid.

Mr. F. W. Forbes, chairman, says that since the beginning of the second quarter the group has had the benefit of a rights issue in September, and therefore interest charges will be lower in the second half.

The subsidiaries supplying the brewery industry continued to maintain their share of the market he says.

However, losses were recorded in the group's engineering subsidiary. Nevertheless despite the general recession in the engineering industry, Spencer Gears the *largest of these subsidiaries, has* a strong order book.

Considerable progress is being made, and with new management there the directors are confident that this modern well-equipped gear-cutting factory, now fully completed, should have a much increased turnover in the second half, and should show improved results, Mr. Forbes says.

The pre-tax profit for the half year was struck after interest of *£135,000 (£99,000). There was* again no tax charge.

Stated earnings per share emerged at 0.34p (0.35p).

CAMBRIDGE WATER

The offer for sale by tender of £2.5m in 8 per cent redeemable preference stock, 1986 by **Cambridge Water** has attracted applications for £4.8m worth of stock. The lowest price to receive a partial allotment was £102.02. The average price obtained was £102.09. Dealings start today.

Haden Carrier surges to £6m

PROFITS OF **Haden Carrier** improved for the third consecutive year in 1980, rising by 65 per cent at the pre-tax level *from £3.78m to £6.24m. Turnover* for the period was higher at £226.2m, compared with £202.47m. Midyear profits rose from £1.15m to £1.69m.

A final dividend of 8.9p (6.75p) brings the total up to 12.5p net, an increase of 2.5p. A scrip issue on a one-for-one basis is also proposed—the new shares will not rank for the 1980 dividend.

The directors say that the current year, like 1980, will not be easy but they are optimistic that the group can maintain a steady profit improvement.

The surplus was struck after interest receivable of £689,000 (£687,000 charge) The previous year's figure included a share of associated company profits of £206,000, against nil this time.

Tax was higher at £2.16m (£1.71m) after which stated *earnings per 25p share showed* a sharp rise, from 26.9p to 53.1p.

Minorities amounted to £43,000 (£20,000) and after an extraordinary credit of £195,000 (£256,000 debit) the attributable balance emerged at £4.31m (£1.83m).

On a CCA basis the pre-tax profit is reduced to £5.74m (£2.97m) and on the same basis, *earnings slip to 46.6p (16.5p).*

About half of the profit improvement came from trading operations, the balance from interest arising from a substantial improvement in the group's liquidity—which was largely due to effective control by the trading companies, the directors explain.

They say the building, industrial and process engineering division achieved a good result, although the UK market in both the public and private sectors lacked growth overall. In the Middle East, several long-standing large contracts are now close to completion.

The industrial finishing systems division advanced further and the overall share of international markets showed an increase, although the UK continued at a low level.

The mechanical handling side had a good year in the UK and further progress was made overseas. The group's product companies maintained their market share and achieved a good level of turnover — although this was not reflected in equally satisfactory results, the directors add.

Group liquidity remained good and borrowings against the £7m medium-term loan facilities were at a very low level.

A geographical analysis of trading profits for 1980 shows: UK £2.29m *(£3.55m)*, Continental Europe £1.39m *(£556,000)*, U.S. £1.07m *(£1.7m)*, Middle East £1.63m (£459,000 loss), Australia £32,000 loss (£300,000 loss) and Africa £800,000 loss (£778,000 loss).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interim—Lowland Investment.

Finals—Amalgamated Metal, Amalgamated Power Engineering, Bremner, Clayton Son, Dares Estates, Futura, Mettoy, Scottish Ontario Investment, Stylo Shoes, Vosper, Ben Williams.

FUTURE DATES

Interims—	
Gleeson (M J) (Contractors)	May 15
NSS Newsagents	May 12
Finals—	
Boosey and Hawkes	Apr. 30
Boot (Henry)	May 1
Corinthian Holdings	Apr. 23
Davies and Newman	Apr. 30
East Midland Allied Press	June 1
First Castle Electronics	Apr. 28
Guardian Investment Trust	May 7
Hammerson Prop. & Inv. Tst.	May 1
Lament Holdings	May 5
Roberts Adlard	May 5

Setback for Harold Perry

SALES AND profits of **Harold Perry Motors**, Ford main dealer, are both down for 1980, but the dividend per share has been effectively maintained.

Turnover fell from £115.28m to £106.48m and the taxable surplus dropped 31 per cent to £3.42m against £4.93m. The net distribution per 25p share is 3.5p (3.5p adjusted) with a final of 2p.

New car profits slumped by 42 per cent, the directors explain, but the vehicle service and repair, used car sales, and the hire purchase company all did better than in 1979. Group operations, other than new vehicle sales, made up 64 per cent of total profits.

Mr. J. F. Macgregor, chairman, says that results for the current year will depend on when and how quickly the expected upturn in the economy develops—first-quarter profits were down from £1.37m to £560,000.

Group profits were subject to tax of £1.37m (£1.59m); the directors say changes in tax law, which withdrew first-year allowances on leased cars, materially increased the 1980 charge, and they have also made it necessary to reinstate the deferred tax provision. This amounted to £2.55m.

Stated earnings per share were down 7.1p to 11.4p.

● comment

Second-half pre-tax profits proved to be less than 50 per cent of an already depressed half-way total. Even so, **Harold Perry** is justified in claiming to have fared better than the rank-and-file of the motor trade: it would be surprising if Ford's largest main dealer had not. But the 1981 first quarter figure accompanying these preliminary figures suggest no more than the ghost of an upturn: commercial vehicles are still a particularly sticky market. Property revaluations have boosted shareholders' funds by nearly a third, while operating cash flow has eliminated last year's overdraft, so there is now negligible gearing. The shares rose 3p to 98p where a maintained final brings the yield to 5.2 per cent. Together with a fully-taxed p/e of 10.5, that confirms Perry's premium status in a drab sector.

Hestair up £0.24m despite farm machinery losses

DESPITE SUBSTANTIAL losses in the agricultural machinery *division, taxable profits of* **Hestair** showed a 49 per cent improvement in the year to January 31, 1981, rising from £493,000 to £733,000. At midway the surplus was ahead from £55,000 to £453,000.

Mr. David Hargreaves, chairman, says the results would have been better but for a further severe downturn in demand for farm machinery—two factories in this division have now been closed.

The group's other divisions, which include specialist vehicles, consumer goods and property development, all traded profitably and maintained full-time working.

Turnover edged ahead during the year from £55.86m to £58.99m. The surplus—which is converted to a loss of £129,000 (£680,000 loss) by CCA adjustments—was subject to tax of *£78,000 (£73,000), giving stated* earnings of 3.6p (2.3p), or 1.9p (1.3p) fully taxed.

The single dividend is held at 1p net and absorbs £183,000 (same).

After extraordinary debits of £397,000 (£630,000) relating mainly to the farm equipment factory closures, the retained profit emerges at £75,000 (£393,000 loss).

The chairman says the balance sheet has been improved by the *negotiation of a new £3m medium-term loan, with the* result that there was no current overdraft at the year end.

● comment

Hestair's recovery faltered slightly in the second half with profits down 36 per cent on the past year, due largely to a collapse in earnings from its employment bureaux. Farm equipment remains a black spot with losses growing to £900,000 *as against £200,000 last year.* Still, Hestair finished the year with increased profits thanks to a remarkably strong performance from its vehicles division which quintupled earnings to £2.1m, helped by higher exports at margins fatter than those seen in the depressed UK car market. Interest charges trod water and central costs rose by 17 per cent. The group claims its best start for four years and appears *confident the farm equipment* division will break even for the year pre-interest. Given some recovery in employment bureaux, growth on the vehicle side and the wiping out of farm equipment losses the group could earn around £2.5m, still below its late 1970s level. The shares at 38p unchanged yield 4 per cent and are on a fully-taxed earnings multiple of 19, which is looking for a recovery.

Second half boost lifts Owen Owen to £2.6m

AFTER A difficult first half, sales of **Owen Owen**, department stores group, showed a marked recovery in the second six months with profit reaching a record level as the benefits of more aggressive selling policies and stringent expense control came through in both the UK and Canada.

The pre-tax surplus for the period emerged at £3m, compared with £2.79m, after charging pre-opening expenses and initial trading losses of new stores at Redditch in the UK and at Kitchener in Canada.

It meant that the group finished the 53 weeks to end-January, 1981, with a profit before tax of £2.62m, compared with £2.58m, despite increased losses at the interim stage. Sales for the year were higher at £109.19m (£100.15m), excluding VAT.

The total dividend is being stepped up from 3.7p to 4.25p net by an increased final of 3.25p (2.7p).

Tax, reduced by £1.52m (£465,000) chiefly in respect of accelerated capital allowances and stock appreciation relief, came out as a credit of £134,000 (£680,000 charge), after which the net balance emerged at £2.75m (£1.9m).

Minorities amounted to £175,000 (£126,000) and after extraordinary credits of £357,000 (£780,000) the attributable profit *was up from £2.26m to £2.93m.*

Stated earnings per 25p share rose to 28.83p (19.86p).

An analysis of trading shows that in the UK sales expanded by 7.6 per cent to £74.65m, but profits fell back by 17.5 per cent to £1.56m. In Canada, where results were adversely affected by the decline in the Canadian dollar against sterling, turnover was *£26.2m*, a rise of 5 per cent, with profits 74.2 per cent higher at £573,000. The Plumbs Contracts subsidiary had sales of £8.34m, up 43.7 per cent, and profits of £487,000, an increase of 32 per cent.

A professional valuation as at year-end of the UK properties and fixed plant is in the course of finalisation and present indications are that the valuation will show a surplus over book value of not less than £25m.

The group has completed the purchase of the minority stake held by the Hudson's Bay Company in G. W. Robinson for £2.35m and Robinson's is now a wholly-owned subsidiary.

Arlen into reverse

On turnover down from £3.8m to £3.17m, **Arlen Electrical** has turned in a pre-tax loss of *£291,000 for the half year to the* end of December, compared with a profit of £119,000 previously.

The directors say all the group's factories had returned to full-time working at the beginning of 1981 and, although margins are still under pressure, preliminary third-quarter figures show an improvement.

On the basis of this trend and the control of borrowings, they are paying an interim dividend of 1p (1.5p) net. Holders of 1.79m shares have waived their rights to the current payment.

Last year a total of 3p was paid from profits of £331,400 (£502,900).

After a first-half tax credit of £151,000 (£61,900 charge), the stated loss per 25p share is 3.65p (1.81p earnings).

The results do not include Transvideo and St. John's Wood Studio, which started operations during the period. The directors say turnover of these two subsidiaries amounted to £195,000 and the accumulated loss, after writing off start-up expenses, was £42,000, of which £22,000 is attributable to the group. Both subsidiaries are now breaking even, they add.

Profit slip at Steel Brothers

Pre-tax profits of **Steel Brothers Holdings**, the construction, foodstuffs and manufacturing group, slipped from £5.81m *to £5.59m in 1980 on turnover* down from £100.78m to £100.72m.

The group is maintaining the dividend with a final payment of 4.85p, making a net total for the year of 8p, and the directors say the company is well placed to benefit from any improvements in trading conditions and from recent capital projects.

After the first six months, profits had fallen from £2.95m to £2.6m and the directors warned that the surplus for the year was unlikely to match 1979's level.

The taxable surplus this time was after increased interest charges of £2.41m (£2.25m). There was a tax credit of £215,000 (charge £2.65m) after crediting deferred tax released of £2.25m (nil).

After an extraordinary debt of *£146,000 (credit £492,000*) and minorities of £376,000 (£494,000), the retained balance was up from £2.23m to £4.36m. Earnings per 25p share emerged ahead at 48.64p, more than double last year's 23.78p.

● comment

Steel Bros. is gradually solving its problems in rice trading and *milling* and the attributable loss *here, taking in closure costs in* Spain, has been confined to under £200,000 at the net level. Its Dutch engineering difficulties, too, are slowly coming right; the Wiener machinery manufacturing activities turned round by £400,000 to a small profit and, while window frames have fallen into a loss of £57,000, installation delays last year should be swept up to augment this year's profits. In North *America, which contributed* £2.09m of the trading profit before central overheads, lime production has been successfully increased. Steel has also ploughed about £1m into the Gatwick Catering facility which offers good potential for expansion. Currency realignments probably pulled profits back by about 9 per cent which accounts for the pre-tax shortfall although the shares fell by 5p to 170p. The yield is just under 7 per cent but net worth of 236p per share provides some support.

Office storage units · Presensitised lithographic printing plates · Continuous and cut set stationery · Desks
Electromyography apparatus · Fibre optic recorders · Premature baby incubators · Neonatal ventilato
rs · Emergency rescusitation equipment · Patient isolators · Clinical hyperbaric systems · Oxygen therap
Food package tray loaders · Pallet stretch wrappers · Shrink wrapping · Printing plate processors
Printing process chemicals · Modular desking systems · Executive office furniture · Office pane
School furniture · Institutional furniture · Bespoke business forms · Wage and security enve
ontinuous cheques · Suspended filing systems · Visible record systems · Human milk pasteur
Ships furniture · Drug cupboards · Beer and soft drink filling machines · Milk bottle fille
Bottle washers · Rocket motor casings · Nuclear engineering components · Thermal
coatings · Underwater engineering components · Main battle tanks · Chieftain tanks
Armoured recovery vehicle · Diesel vehicle engines · Galvanising & gritblasting
Metal cutting machines · Rolls-Royce Military diesel engines · Milling machine
Assembly machines · Ship stabilisers · Ship steering gear · Hele shaw ram gea
Rotary vane gear · Sub-sea heave compensators · 3D measuring machi
Reactor core components · Railway workshops · Maintenance work
Power station bus bars · Military testing equipment · Wave energy re
Motor body panels · Rolls-Royce and Bentley motor cars · Panel do
Electro hydraulic systems · Hydraulic pumps & valves · LPG eng
on · Ship winders · Ship capstans · Michell whitemetal bearing
Ship elevators · Power and master slave manipulators · Ca
on alloy fabrications · Aerospace precision component
Mining equipment · Industrial washing & cleaning plan
Train washing plant · Wax cascaders · Hot melt gluein
Defence fire control equipment · Vibratory feede
Railway rolling stock · Malting & brewery plan
Sheet fed metal decorating presses · Casting
Steam boilers · Terminal container crane
k gun sights · Image analysis equipmen
Electronic speech aids · Microscopes
Sheet & web-fed printing presses
windlasses · Microdensitometers
Diesel shunting locomotives
Ship building (in Australia)
Dry-dock ship repairs
Automatic conveyors
Hyperbaric systems
Turbine overhaul
Pressure vessels
Ore crushers
GRP Boats
Derrick
Kilns

Vickers

In case you wondered what we make these days

Nowadays Vickers make some very interesting things. Every product is an effective market competitor–several are world beaters–and the above list is nothing like complete.

Behind the list is the logic of a network of inter-connected activities and skills in over 50 businesses–including Rolls-Royce motor cars and diesel engines. Bringing together the Vickers commonwealth of skills, and manufacturing in each of the five continents.

Skills which make products such as presensitized litho printing plates, sophisticated electronic medical aids and numerically controlled machine tools. All of which call upon the latest technology.

But, although we are one of the most progressive UK-based industrial groups, the public's awareness of our company as it is today lags behind events.

A recent survey showed, for example, that half of those who had heard of Vickers thought we still made aircraft or aero engines. And only 5% were even aware that Rolls-Royce motor cars and diesel engines are now part of Vickers.

But whatever the perception of Vickers the facts show a company strong in resources and skills. A company which has the ability to progress even in difficult times.

The figures confirm the point.

Consolidated Profit & Loss Account for the year ended 31 December 1980 including Rolls-Royce Motors Holdings Limited with effect from 6 August 1980.

	1980 £m	1979 £m
Sales	493.2	389.8
Profit before interest	35.5	19.5
Net interest payable less investment income	16.3	13.2
Profit before prior year interest	19.2	6.3
Interest on nationalisation in respect of prior years	8.9	0.6
Associated companies	0.5	0.4
Profit before taxation	28.6	7.3
Taxation	1.8	3.0
Profit after taxation	26.8	4.3
Minority interests	(0.9)	0.4
Profit before extraordinary items	25.9	4.7
Extraordinary items	(14.8)	(1.2)
Stockholders' profit	11.1	3.5
Dividends	9.2	4.7
Profit retained/(deficit)	1.9	(1.2)
Earnings per £1 of ordinary stock:		
Including interest on nationalisation in respect of prior years	34.8p	9.8p
Excluding interest on nationalisation in respect of prior years	22.7p	8.5p

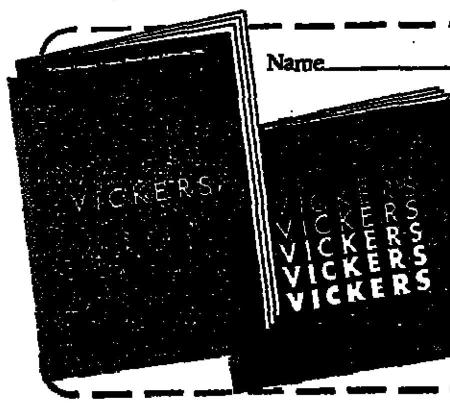
VICKERS LIMITED, VICKERS HOUSE, MILLBANK, LONDON SW1P 4RA

Comments by the Chairman, Sir Peter Matthews

"The year will be remembered by most people concerned with engineering manufacture as one when we felt the severe, and at the year end the still growing, impact of the combined forces of the UK Government's anti-inflationary measures and deepening world-wide trade recession."

* Merger with Rolls-Royce Motors is first major constructive step towards re-establishing Vickers post nationalisation and outcome for 1980 in line with forecast at time of merger.
* Sale of Roneo Vickers International Machines Division substantially reduced borrowings.
* Nationalisation compensation removed shadow of uncertainty.
* With exception of Australia and South Africa trading conditions were exceptionally difficult and economies made were eroded by high interest rates and the very strong pound.
* Profit before extraordinary items £25.9m.
* Extraordinary items of £14.8m represent losses on settlement of nationalisation, sale of Roneo Vickers IMD and reorganisations and closures.

The Report and Accounts will be available on 3 June. For a copy with the Company Brochure, please send the coupon to The Secretary at the address below. Stockholders will receive copies automatically.



Name ______

Address ______

No commercial logic in Ward bid says Tunnel

IN A FORMAL rejection of the bid from Thos. W. Ward, cement and specialist chemicals producer Tunnel Holdings has estimated its profits for the year to last March 29 are "comfortably in excess" of £14m before tax, against £10.5m previously and £6.6m in 1978-79.

Tunnel intends to lift the annual dividend from 9p to 14p, which it says will be covered approximately three times on the basis of estimated attributable profits of "not less than" £10m.

Tunnel maintains that the merger would make no commercial sense. The group "has a great future"; Mr. J. D. Birkin, chairman and managing director, says: "To free itself of Ward's restrictive presence, Tunnel has previously examined the case for acquiring Ward but could find no commercial justification whatsoever."

Ward, whose cement and roadstone activities contributed 70 per cent of its trading profits in the year to last September, has owned 29.9 per cent of the voting rights in Tunnel since 1973. In 1978, it challenged the Tunnel purchase of Barrow Hepburn's speciality chemicals business.

Tunnel strongly defends its policies of concentrating on efficiency in cement, diversifying into speciality chemicals and investing overseas to reduce its total dependence on the UK construction sector. "Our results in depressed trading conditions have demonstrated that we are succeeding," says Mr. Birkin.

"When two businesses of similar size with different business philosophies are forcibly merged following a contested bid, the difficulties are intensified and, in the case of Tunnel and Ward, the potential problems are enormous," he adds.

The Tunnel Board advises shareholders to take no action on the Ward offer, and will not be accepting the offer in respect of its own beneficial holdings.

● **comment**

Tunnel's defence document convincingly undermines the commercial arguments put by Ward. The longer delivery distances proposed would raise Pitstone's distribution costs from well below the industry average to well above it. Tunnel's predicted jump in pre-tax profits for the year just completed is well above outside forecasts. The key to the improvement has been the benefit from the coal conversion programme and improvement in market share in the areas in which the company has chosen to concentrate—a strategy which Ward would reverse. Even after the proposed dividend increase, current cost cover remains 1.3 times. Quite apart from differences in management style, acceptance of Ward paper may have disadvantages for shareholders, since Ward is likely to become involved in heavy capital expenditure at some stage at its Ketton works. Furthermore change of control could result in the loss of an important share in Tunnel's developing business. Meanwhile, quite apart from the commercial argument, the price offered by Ward has been caught up by the upward movement of the market and the premium element in the bid is probably now only a few pence. As it stands, Ward's bid should really be a non-starter.

Surprise £1.5m approach to Hirst & Mallinson

Associated British Engineering has launched a £1.55m bid for Hirst and Mallinson, the catering and pharmaceuticals group.

The bid has come as a surprise to Hirst's board which had not been informed in advance but it has the support of the largest shareholder, Grovewood Securities, which owns 28.6 per cent.

The bid is six ABE shares for every five Hirst. With ABE's share price yesterday unchanged at 25.5p, this values the offer at 30.6p a share, compared with a market price for Hirst of 31p yesterday after a 1p rise.

Hirst is discussing the bid with its advisers, Charterhouse Japhet, and urges shareholders to take no action yet.

ABE has employed Guinness Mahon to act for it. ABE wants to expand in the field of distribution both in the marine sector and in developing countries.

The deal needs approval by ABE's shareholders because it involves the issue of 9.2m new shares.

Savoy: Forte decision 'next week'

Sir Charles Forte said yesterday that he would make a decision "earlyish next week" over his prospective bid for the Savoy Hotels group.

Meanwhile, he was keeping open his three options. These were, he said: "To appeal" against the courts' refusal to permit a splitting of the different classes of shares so that an offer could be made for one class alone: "to make a general offer if we seem to have a chance of succeeding"; or, "to go home and call it a day—at least for a while."

Sir Charles confirmed that he had had "one or two meetings" with his advisers in the past couple of days. However, he pointed out that the courts' written judgment had only been delivered yesterday and his legal advisers were still studying it.

Denbyware agrees £2m sale of U.S. interest

Denbyware has agreed to sell its 50 per cent interest in International Ceramics for £2m cash.

The agreement is between Denbyware and Sherwood refractories Inc. (a wholly owned subsidiary of TRW Inc.) which already owns the other 50 per cent of IC.

The price is over 2½ times the value at which Denbyware's share of IC's capital and reserves would appear in Denbyware's own accounts.

The directors point out that the timing of the transaction and EGM (which has been dictated by external events) is unusual. With Crown House's increased offer now being unconditional it is likely that Crown will be in a position to control the outcome of the meeting.

The directors of Denbyware and the Minster Assets Group intend to exercise any votes remaining under their control at the time of the meeting in favour of the deal.

Crown House has advised Denbyware that it approves of the transaction in principle. It will, however, determine its voting intention after considering the detailed terms of the agreement.

Acceptances for Crown's offer have been received in respect of 1.17m Denby shares (27.21 per cent). Crown House and its subsidiaries now own or have acceptances for 2.84m shares (66.13 per cent).

S. PEARSON AND CEDAR POINT

The tender offer by S. Pearson and Son for a further 15 per cent interest in Cedar Point has been successfully completed.

W. Holdings and Welkom lift interim dividends

BY GEORGE MILLING-STANLEY

THE DECEMBER quarterly reporting season of the South African gold mines is brought to a close by the gold producers in the Anglo American Corporation group.

The group's mines have all reported lower profits for the quarter, in line with the lower average gold price prevailing over the period, but interim dividends declared by the OFS producers have mostly been well maintained.

Western Holdings and Welkom are both outstanding among the dividends, with record payments. After containing the rise in working costs to negligible levels last quarter, Western Holdings saw profits fall by just 2.2 per cent, and is to pay an interim dividend of 700 cents (399p), well above the market's best expectations. The payment compares with 675 cents last time.

Welkom's interim of 155 cents is also above expectations, and compares with last year's interim of 130 cents.

There will, however, be some disappointment with President Brand's payment of 295 cents, against 320 cents last time, which is less than the market had been hoping for.

East Rand Gold and Uranium (Ergo), the dump retreatment operation, is to pay a final of 100 cents, compared with last year's 85 cents, making a total for the year of 200 cents. Full-year profits were 46.9 per cent higher than in the previous year, and Ergo comfortably beat its targets for gold and uranium production. The latest payments are compared in the following table.

	1981 cents	1980 cents	1980 cents	1979 cents
ERGO	100	*100	85	*25
F.S. Geduld	*365	475	475	235
Pres. Brand	*295	375	320	180
Pres. Steyn	*270	385	280	117.5
W. Holdings	*700	825	675	375
Welkom	*155	180	130	67.5

* Interim.

The main factor in the lower profits reported by the mines for the March quarter was the lower average gold price received. Prices received by the individual mines vary in line with the timing of sales, and the average quarterly prices received are compared below.

GOLD PRICE RECEIVED (R per kilogramme—$ per ounce)—

	Qtr. ended Mar. 31	Dec. 31
ERGO	R13,103 ($528)	R15,362 ($639)
Elandsrand	R13,003 ($522)	R15,511 ($645)
F. S. Geduld	R13,102 ($529)	R15,294 ($638)
F. S. Saaiplaas	R12,998 ($525)	R15,394 ($640)
President Brand	R13,017 ($526)	R15,301 ($636)
President Steyn	R13,105 ($530)	R15,318 ($637)
S. A. Land	R12,924 ($521)	R15,224 ($633)
Vaal Reefs	R12,720 ($514)	R15,625 ($650)
Welkom	R13,058 ($527)	R15,322 ($637)
Western Reep	R12,861 ($521)	R15,730 ($652)
Western Hldgs.	R13,065 ($528)	R15,302 ($636)

The quarterly reports also emphasise once more the vulnerability of the more marginal producers, where minor changes in the gold price or ore grade have a marked effect on profits. Free State Saiplaas, which at 2.43 grammes of gold per tonne has the lowest grade of the mines concerned, saw its profits plunge by 84 per cent to R1.06m.

This mine also faced a sharp increase in development costs associated with the work on No. 3 shaft, and received much lower income than normal from the Joint Metallurgical Scheme, which processes slimes from the Orange Free State mines.

Overall, however, the Orange Free State mines contained the increases in working costs to less than 10 per cent.

This control of costs was also a feature at most of the group's mines in the Transvaal, with the exception of Western Deep Levels, where refrigerator plant breakdowns contributed to a 15 per cent increase.

The young Elandsrand actually managed to reduce working costs by 17 per cent, largely as a result of improved efficiencies. The mine achieved a milling rate in excess of 100,000 tonnes of ore a month for the first time in March.

South African Land, which at present treats only ore from outside sources, also achieved a 17 per cent reduction in costs owing to an improvement in the grade of rock supplied.

	Mar. qtr. R000	Dec. qtr. R000	Sept. qtr. R000
East Dagga.	60	197	48
ERGO	19,406	24,389	27,168
Elandsrand	683	2,556	11,172
F. S. Geduld	37,662	44,962	57,923
F. S. Saaiplaas	1,066	6,629	9,403
Pres. Brand	33,384	40,500	60,280
Pres. Steyn	25,895	33,773	42,971
S. A. Land	—	1,782	902
Vaal. Reefs	63,655	123,085	90,089
Welkom	10,310	12,802	14,215
W. Deep	43,613	73,047	65,685
W. Holdings	28,982	29,643	36,271

Poor first quarter for Amax

FOLLOWING THE general pattern, lower first quarter earnings are reported by another transatlantic natural resource major, the diversified Amax which is currently resisting a world record takeover bid from Standard Oil of California.

Net earnings for the quarter have fallen to $70.1m (£32.5m), or $1.04 per share. This compares with $88.7m in the final quarter of 1980 and $140.3m in the buoyant first quarter of that year when metal prices were still riding high.

During the past quarter higher prices than those of a year ago were received for molybdenum but they were more than offset by lower sales and increased costs, while copper earnings fell in line with lower sales and prices coupled with higher costs.

Nor were matters helped by a strike at the 64 per cent-owned Canada Tungsten Mining which began on November 14 and resulted in that company only managing to break even.

On the other hand, higher prices led to an increase in earnings from iron ore and, compared with a year ago, there was the inclusion last quarter of earnings from the acquisitions last year of Rosario Resources and phosphate interests of the Borden company.

British Dredging urges rejection of RMC offer

THE British Dredging Company, the Cardiff-based aggregates and construction group, yesterday urged shareholders to support a £721,000 rights issue and called upon them to resist a £4m planned bid by Ready Mixed Concrete.

Last week RMC, the building materials producer, announced that it was planning to bid for British Dredging, explaining that it was not satisfied with the underwriting arrangements for the rights issue which British Dredging had concluded with Equity Capital for Industry.

The underwriting agreement granted Equity Capital for Industry "extensive rights which are not available to other shareholders." RMC is a large shareholder in British Dredging, holding 27.85 per cent of the group's equity.

The dredging company is to put a resolution to shareholders at an extraordinary general meeting in Cardiff next Friday which will authorise the rights issue. Ready Mixed Concrete plans to vote against the resolution and said that its bid for the company is conditional on other shareholders voting against it.

If the rights issue goes ahead Equity Capital for Industry will become a major shareholder with a stake of between 12.5 per cent and 20 per cent of the enlarged share capital.

M & G, which holds a 7 per cent stake, is thought likely to support the rights issue proposal.

Mr. Fane Vernon, British Dredging's chairman, told shareholders in a circular issued yesterday that "Ready Mixed Concrete indicated that it did not consider a rights issue which could result in another major shareholder in the company to be in the best interests of the shareholders of Ready Mixed Concrete."

Although British Dredging is a small company in relation to RMC, shareholders are told: "Your board was determined that what Ready Mixed Concrete, as the largest shareholder, sees as its own interests should not impede the company's development under its new management nor indeed should Ready Mixed Concrete be allowed to ride rough shod over the interest of the general body of shareholders."

Preliminary results of British Dredging for the year ending December 31, 1980, show profits before tax and extraordinary items of £150,000 compared with a loss of £405,722 in the previous year.

These results reflect "a substantial improvement in the company's performance," says Mr. Fane Vernon. The proposed offer by Ready Mixed, which is 35p per share in cash with a share alternative, "in no way reflects the company's trading prospects or its potential."

Shareholders are also warned by Mr. Fane Vernon that the proposed bid might be referred to the Monopolies and Mergers Commission.

British Sugar calls for 'no action' over offer

SIR GERALD THORLEY, British Sugar chairman, yesterday urged shareholders to take no action when the document giving details of the takeover bid by S. and W. Berisford was "eventually published."

In a letter to shareholders, Sir Gerald noted British Sugar had ascertained that the Government (which holds a 24.5 per cent stake in British Sugar) had given no indication of any intention to accept this offer for its shares.

He adds that the British Sugar board reiterated its view that the bid by Berisford makes no sense for customers, employees, farmers or shareholders.

Expectations that Berisford would be forced to raise the value of its bid pushed British Sugar shares up again on the Stock Exchange yesterday. They closed 9p higher at 311p, while Berisford shares slipped 4p to 117p.

DUPORT SALES

The sale by Duport to British Steel Corporation of the businesses and assets of London Works Steel, Flather Bright Steels and Nationwide Steel Stock has been completed.

Duport's bankers have subscribed for at par £2.5m of 7½ per cent redeemable convertible participating cumulative first preference shares and £2m convertible subordinated loan stock, 1986, both of which are unlisted. The existing 3½ per cent cumulative preference shares of £1 each have been redesignated 3½ per cent cumulative second preference shares.

GASCO HAS 39.8% OF SAINT PIRAN

Gasco Investments confirmed yesterday that its holding in Saint Piran, the controversial tin mining and property group, is now 39.81 per cent, acquired through its subsidiary, Gasco Investments (Netherlands).

It also claims to have received acceptances amounting to a further 6.98 per cent for its 50p per share bid. This is 35p below the level the Takeover Panel said it must bid at.

Burma Mines, headed by Mr. Tom Scrase, senior partner of Gittins the stockbroking firm, has said that he is attempting to mount an alternative and higher bid for Saint Piran, to be announced before the first closing date of Gasco's offer.

Y. J. LOVELL

Y. J. Lovell (Holdings) has announced that 2,619,297 ordinary shares owned by Sir Donald Gosling, Mr. R. F. Hobson and certain other shareholders have been placed mainly with institutional investors by S. G. Warburg and Company. Brokers to the placing were Carr Sebag and Company. Lovell says Sir Donald Gosling and Mr. R. F. Hobson now cease to have a financial interest in the company.

LONDON TRADED OPTIONS

(Total contracts 2751)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	330	58	1	—	—	—	—	386p
BP	390	5	3	34	25	42	—	"
BP	430	½	4	17	3	28	—	"
BP	460	¼	—	11	6	—	—	"
BP	500	¼	1	5	—	—	—	"
Com. Union	160	4	—	16	2	21	—	161p
Com. Union	180	½	9	7	—	14	—	"
Cons. Gold	460	17	2	50	—	65	—	461p
Courtaulds	50	25	—	26	1	28	—	75p
Courtaulds	60	15	6	17	20	18½	30	"
Courtaulds	70	5	45	10½	6	13	49	"
Courtaulds	80	—	—	4½	6	7	48	"
GEC	600	105	—	125	4	143	—	700p
GEC	650	55	10	80	—	102	—	"
GEC	700	9	5	43	40	62	4	"
Grand Met.	160	46	1	52	—	55	—	205p
Grand Met.	180	26	—	33	228	37	—	"
Grand Met.	200	7	40	17½	188	25	20	"
Grand Met.	220	—	—	8	67	13	5	"
ICI	240	60	—	70	—	78	2	296p
ICI	260	40	25	50	53	58	—	"
ICI	280	20	11	32	106	37	27	"
ICI	300	6	46	20	51	27	50	"
ICI	330	½	—	10	16	—	—	"
ICI	360	½	2	5	25	—	—	"
Land Sec.	330	97	—	99	1	—	—	426p
Land Sec.	390	37	1	45	—	62	—	"
Land Sec.	420	8	3	27	17	42	—	"
Land Sec.	460	½	—	6	2	20	3	"
Marks & Sp.	100	35	1	39	—	—	—	134p
Marks & Sp.	110	25	2	29	4	34	—	"
Marks & Sp.	120	15	8	20	60	25	12	"
Marks & Sp.	130	6	3	13	201	17	15	"
Shell	360	26	23	48	—	56	8	382p
Shell	390	4	—	26	10	38	—	"
Shell	420	½	—	11	4	26	1	"
Shell	460	¼	—	4	—	10	2	"
Totals			352		1146		276	
		May		August		November		
Barclays B'k	360	79	8	88	—	93	—	433p
Barclays B'k	420	19	9	38	1	60	—	"
Barclays B'k	460	3	4	17	—	—	—	"
Imperial Gp.	70	6	—	9	23	10	50	75p
Imperial Gp.	80	1	—	3½	5	5	—	"
Imperial Gp.	90	½	—	1½	35	—	—	"
Lasmo	550	15	3	43	—	65	—	559p
Lasmo	650	4		20	2	35	—	"
Lasmo	700	3		12	7	22	2	"
Lonrho	90	7	8	12	1	15	—	94p
Lonrho	100	3	16	7	4	10	—	"
Lonrho	110	1	50	4	—	7	—	"
P. & O.	140	21½	15	26	60	32½	2	161p
P. & O.	160	7½	21	14½	1	19½	17	"
P. & O.	180	3	—	6½	—	10	5	"
Racal Elec.	330	63	10	75	—	88	—	387p
Racal Elec.	360	35	14	54	4	68	1	"
Racal Elec.	390	14	8	35	3	48	1	"
RTZ	460	—	—	47	1	60	—	475p
Totals			166		147		78	

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$475	—	—	11	53	—	—	$489.50
GOLD C	$500	11	18	4	40 A	—	—	"
GOLD C	$525	7	9 A	33	26	—	—	"
GOLD C	$550	—	—	12	18	—	—	"
GOLD P	$475	2	10	1	23	4	28	"
GOLD P	$500	2	20.50	8	31	4	38	"
GOLD P	$525	4	40	8	45	—	—	"
		June		Sept.		Dec.		
GM C	$60	9	1	—	—	1	3¼	$55⅛
		April		July		Oct.		
ABN C	F.280	5	8.50	1	11.50	—	—	F.288
ABN C	F.300	—	—	2	5.10 B	—	—	"
ABN C	F.320	—	—	1	1.80	—	—	"
AKZO C	F.17.50	21	6	40	6.70	10	6.80	F.23.60
AKZO C	F.20	57	3.60 A	222	4.60	69	5.20 B	"
AKZO C	F.22.50	386	1.10	376	2.60	80	3.60	"
AKZO C	F.25	—	—	239	1.50	133	2.20 A	"
AKZO P	F.20	—	—	10	0.30	—	—	"
AKZO P	F.22.50	—	—	20	0.70	—	—	"
AKZO P	F.25	10	1.50	—	—	—	—	"
AMRO C	F.55	17	1.40	5	3.10	1	3.90	F.56.50
KODA C	$70	—	—	3	14½	—	—	$85⅛
KODA C	$80	2	3½	—	—	—	—	"
KODA C	$90	—	—	—	—	1	4⅛	"
CITI C	$20	2	4¼	—	—	—	—	$24 7/16
HEIN C	F.50	3	5.60A	—	—	—	—	F.55.50
HEIN C	F.55	38	0.80	—	—	6	3.50	"
HEIN C	F.60	—	—	5	1.10	14	2.40A	"
HEIN P	F.50	—	—	10	1.30	—	—	"
HEIN P	F.55	47	0.20	6	3.50B	—	—	"
HOOG C	F.15	2	5	—	—	—	—	F.20.40
HOOG C	F.17.50	2	3	25	4.20	—	—	"
HOOG C	F.20	—	—	—	—	69	2.80	"
IBM C	$60	5	¾	—	—	—	—	$60 3/16
IBM C	$65	—	—	11	1½	—	—	"
IBM P	$65	11	4⅞	—	—	—	—	"
KLM C	F.60	9	64	4	64.60	—	—	F.125.70
KLM C	F.65	7	59 B	—	—	—	—	"
KLM C	F.70	4	54 B	5	54.50 B	—	—	"
KLM C	F.80	7	44 B	8	44.50 A	2	43	"
KLM C	F.90	27	34 B	—	—	—	—	"
KLM C	F.100	57	24	82	27.50	17	28	"
KLM C	F.110	244	13.80	116	21	18	24	"
KLM C	F.120	—	—	107	15.20	75	17	"
KLM C	F.130	—	—	299	9.50	27	10.50	"
KLM P	F.70	—	—	10	0.20	—	—	"
KLM P	F.80	—	—	14	0.70	8	2	"
KLM P	F.90	—	—	98	1	36	3.20 A	"
KLM P	F.100	—	—	8	2.50	9	5	"
KLM P	F.110	4	0.10	37	5.20	8	—	"
KLM P	F.120	—	—	40	8.70	5	14 A	"
KLM P	F.130	—	—	5	15 A	20	20.50 A	"
NATN C	F.110	10	9.50	—	—	—	—	F.119.90
NATN C	F.115	—	—	10	8.50	—	—	"
NATN C	F.120	33	0.40	16	4.80	5	6.20	"
NATN C	F.125	—	—	14	2.70	—	—	"
NATN P	F.120	29	0.50	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 6826

A=Asked B=Bid C=Call P=Put

UK COMPANY NEWS

CES slides to £3.2m

DESPITE A static second half, with profits at £3.59m against £3.61m, Combined English Stores Group finished the 53 weeks to January 31, 1981 behind at £3.21m pre-tax, compared with £4.81m—result included losses attributable to activities of companies disposed of during the period up from £259,000 to £931,000.

Sales expanded to £106.96m (£89.66m) and the dividend is maintained at 3.15p net per 12½p share, with an unchanged final payment of 1.66p.

The directors are confident that the action taken to eliminate loss-making activities will lead to a substantial profit improvement, and that the group will be able to take full advantage of any opportunities for expansion that may arise.

Collingwood The County Jewellers, Salisburys Handbags and Allens Chemists all produced trading profits in line with or above last year's figures, but Harry Fenton and Kendalls, the men's and ladies' wear companies, again incurred substantial losses, the directors state—a major reorganisation of Harry Fenton, including the closure of 25 branches, has been carried out which should result in a substantial reduction, at least, in the level of loss during this year.

Pre-tax figure for the 53 weeks—turned into a £245,000 loss on a CCA basis—included profit of £1.51m (£1.03m) from property disposals, and associates share of £131,000 (£267,000 loss).

Tax for the period was a credit of £311,000 against a £580,000 charge, and after minorities £113,000 (£125,000) and an extraordinary debit, up from £91,000 to £1.18m, the available balance came through at £2.23m compared with £3.22m—extraordinary item includes £992,000 written off goodwill.

Earnings per share are shown as 7p (7.27p).

● comment

Shares in Combined English Stores rose 5p to 47p on a maintained dividend and bullish chairman's statement. On a CCA basis the dividend is uncovered and it was only thanks to an acceleration in property disposals and tax credit that the dividend was covered by historic attributable earnings. Stripping out property sales, the group moved from a small interim loss to a £1.5m pre-tax profit for the year, roughly half last year's figure. Fenton, its meanswear subsidiary, loss about £1m and similar losses were jointly attributed to Youngsters and Herald, now sold. The group hopes the Fenton losses have been stemmed but it is too early to tell as it traditionally produces an interim loss and this year is no exception. Earnings in the wholesale division got a healthy boost from the newly acquired Mercado. The shares gain support from the yield of 10 per cent, rather than speedy recovery prospects with earnings of about £4m in sight next year.

Huntleigh expands to £1.15m

PRE-TAX profit of Huntleigh Group advanced in the second half of 1980 to £630,000 compared with £248,000 bringing the total to £1.15m—99 per cent up on the £577,815 for 1979.

Turnover for the 12 months increased by 35 per cent from £11.39m to £15.32m.

Mr. John Kuipers, chairman of this engineering and electronics concern, says the figures represent a major improvement, and the overall performance of the group was satisfactory.

The final dividend has been set at 0.8p (0.61p) net per 10p share making a total of 1.5p (1.19p), which will absorb £198,238 (£142,110).

The profit, before tax, was struck after interest charges up at £345,100 (£127,888) and there was a tax credit of £247,508 (£198 charge). After extraordinary debits of £119,745 (£26,317) and a transfer from the capital reserve of £22,523 (nil) the attributable amount came out at £1.3m (£551,300).

The retained balance was £1.1m (£409,190) and the stated earnings per share emerged at 11.3p (4.8p).

On a CCA basis pre-tax profit was £575,089 and earnings 6.6p.

● comment

Huntleigh Group's rights issue last October was pitched at a 40 per cent discount to the then market price of the shares, 134p, because it was felt the market may have been looking for more than the forecast £1.1m profit for the year. The group has now produced the £1.1m profit but the shares stand at 148p and carry a breathtaking fully taxed rating of nearly 40. This year will see loss elimination of about £¼m as a result of the disposals of Setpoint and Precision Moulds but Hymatics will have to run hard to recover the costs of a move to a new factory and Micro-Image is likely to suffer from the slowdown in the UK semi-conductor market until the U.S. and Japanese licence deals get going. In short, although the long term prospects are exciting, there is probably not much growth to look for this year and the shares could show weakness.

De Vere lower

ON TURNOVER of £21.05m against £19.62m, pre-tax profits of De Vere Hotels and Restaurants, fell from £1.94m to £1.24m for 1980 but the dividend is maintained at 6p net per share with a same-again final of 3p.

The directors say that while profits, for the full period, were adversely affected by the general recession, the group's London businesses suffered from the reduction in discretionary spending and the number of tourists visiting the capital. Hotels in the provinces maintained their trading position and in some cases, increased their net profit.

Pre-tax figure for the year was subject to tax of £385,702 against £801,056 and the attributable balance came through at £873,380 compared with £1.16m. Earnings per 25p share were 7.4p (9.8p).

The lower tax charge arose from a substantial increase in capital allowances.

Following a revaluation of group properties a surplus of £3.19m has been credited to capital reserves.

Elbar rights

Elbar Industrial, in which Tanks Consolidated Investments has a 72 per cent interest, is raising £1.9m by way of a rights issue on the basis of two new shares at 150p each for every five held.

Tanks is subscribing for its full entitlement totalling 941,278 new shares, and underwriting the balance.

Elbar has also reported 1980 preliminary results showing a pre-tax loss of £1.6m compared with a profit of £1.5m on turnover of £59.8m (£59.1m). Stated loss per share was 33.05p compared with earnings of 46.81p. A final dividend of 1p has been recommended, making 2p (10p). On a CCA basis, the 1980 pre-tax loss was £2.46m.

Elbar's reversal in 1980 is largely attributed to the industrial recession in the UK. The company distributes motor vehicles and agricultural machinery. The board considers it prudent to restore the company's capital base and believe a rights issue is the most suitable method.

Brokers to the issue are Pidgeon de Smitt.

Bentalls down

AS A result of action taken to curtail expenses and maintain sales, following a poor first half, pre-tax profits of Bentalls, the department stores group, fell by only £80,000 in the second six months, compared with a drop of £814,000 at the interim stage.

For the full year, however, to end-January, 1981, the taxable surplus still finished well down, emerging at £1.35m, compared with £2.25m, on sales static at £44.07m (£44.36m)

The total dividend is being maintained at 1.35p net with a same-again final of 1.05p.

The taxable profit was struck after interest crhages of £344,000 (£156,000) and exceptional credits of £19,000 (£101,000). after interest charges of £344,000 and stated earnings per 10p share were 2.37p (4.61p). On a CCA basis the pre-tax figure is reduced to £282,000 (£986,000).

The directors say they are determined to keep up the momentum of current policies and feel confident that the company will be in a good position to take advantage of better trading conditions when these return.

£1m profit for Clive Discount

IMPROVED trading conditions enabled Clive Discount Holdings to bounce back into the black with a net profit of £1.03m for the year to the end of March 1981 compared with a loss last time of £4.16m.

The directors say the profit was struck after allowing for taxation, rebate and a transfer to inner reserves.

They have recommended a final dividend of 1p (nil), making a net total for the year of 1.5p against an interim payment only for the previous year of 2.12p.

This dividend policy, add the directors, is consistent with the declared intention of rebuilding resources after the heavy losses of the previous year.

After dividend payments, the retained balance was £417,000, against a loss last time of £246,000.

The directors say trading conditions showed a marked improvement last year and satisfactory progress was made. An encouraging start has also been made to the current year.

They also state that last year's successful rights issue, which raised £2m, was a significant factor in rebuilding the company's capital base.

British Assets lifts dividend

REVENUE BEFORE tax of British Assets Trust, investment trust, marginally increased from £2.94m to £2.96m for the six months to the end of March, 1981.

The directors have decided to increase the quarterly dividend rate and the second-quarter payment will be 1p (0.85p). They expect the total payment for the current year will be not less than 3.95p, compared with the previous year's 3.8p.

Net asset value per 25p share was up from 90.6p to 122.5p.

Liberty Life seeks London listing

LIBERTY LIFE, the largest proprietary insurance company operating in South Africa, is seeking a London listing for its shares. Dealings should start on April 27.

In addition to its South African interests, Liberty Life holds 25 per cent of Montreal Life (where it acts in partnership with Guardian Royal Exchange, the majority shareholder) and has recently acquired nearly 20 per cent of Sun Life.

Liberty Life sees the London listing as part of its international diversification plans, and is looking for a partner—not necessarily Sun Life—with which to develop a significant share of the UK life market.

Rowntree Mackintosh

1980 Preliminary Announcement

	1980 £m	1979 £m
Turnover	629.8	601.3
Trading profit before depreciation	58.7	57.6
Depreciation	13.9	11.0
Trading Profit	44.8	46.6
Interest	14.9	8.6
	29.9	38.0
Share of Associated Companies' Profits (Note 1)	1.5	2.4
Profit before Taxation	31.4	40.4
Taxation	8.5	6.5
	22.9	33.9
Minority interests and preference dividends (Note 2)	0.2	1.7
Profit attributable to Ordinary Shareholders before Extraordinary Items	22.7	32.2
Extraordinary items (Note 3)	5.3	5.1
	17.4	27.1
Ordinary Dividends (Note 6)		
Interim 2.5p per share (1979 2.5p)	2.7	2.7
Proposed Final 4.75p per share (1979 4.75p)	5.2	5.2
	7.9	7.9
Added to Reserves	9.5	19.2

Notes

1. The share of associated companies' profits reflects mainly the Group's 20% holding in The Associated Biscuit Manufacturers Ltd.
2. *The minority shareholdings in Wilson-Rowntree (Pty) Ltd., the Group's South African subsidiary,* were acquired at a cost of £3.3m following schemes of arrangement which became effective on 1st December, 1980.
3. Extraordinary items include adjustments on the translation of overseas net assets (£4.5m) and the Group's share of associated companies' extraordinary items (£0.8m).
4. Earnings per Ordinary share were 20.9p in 1980 compared with 29.8p in 1979, calculated on the profit before extraordinary items.
5. The Annual Report will contain Current Cost Accounts prepared in accordance with SSAP 16. The current cost profit and loss account will include the following adjustments:–

	1980 £m	1979 £m
Current cost operating adjustments:		
Additional depreciation	5.6	5.9
Additional cost of sales	6.4	3.5
Monetary working capital adjustment	2.0	0.6
	14.0	10.0
Gearing adjustment	3.5	2.1
	10.5	7.9

The above items, together with adjustments relating to minority interests and associated companies, leave a current cost profit attributable to Ordinary shareholders of £11.4m (1979 £23.9m) before extraordinary items of £0.5m (1979 £2.7m). On this basis the Ordinary dividends in respect of 1980 will be covered 1½ times, compared with a three times' cover in 1979.

6. *Subject to shareholders' approval, the proposed final dividend of 4.75p per Ordinary share will be paid on 8th July, 1981 to Ordinary shareholders registered at the close of business on 12th June, 1981.*

Summarised Group Balance Sheet

	1980 £m	1979 £m
Funds Employed		
Share Capital	56.8	56.7
Reserves	186.4	169.0
	243.2	225.7
Minority Interests	1.7	11.1
Net Borrowings:–		
Loan Capital	39.0	30.3
Bank overdrafts and short term loans (net)	16.7	33.5
	55.7	63.8
	300.6	300.6
Represented by		
Fixed Assets	184.0	176.0
Investments	12.8	11.5
Stocks and Debtors less Creditors and Provisions	103.8	113.1
	300.6	300.6

Extracts from the Chairman's Statement

In writing my first report to shareholders I must begin by paying tribute to my predecessor, Sir Donald Barron, who retired on 17 March on his sixtieth birthday. He leaves a strong, vigorous and profitable Company, recognising its debt to his leadership, and confident of its ability to continue to grow in the UK and abroad.

1980 was a testing year in which to sustain objectives framed for the long term. Under-utilisation of capacity in the UK and European confectionery industries has intensified pressure on margins as companies have tried to protect their market shares and volume. The high level of interest rates and the strong sterling exchange rate have tended to erode profits. Although we cannot regard as satisfactory an outcome in which 1980 profits are below those of 1979, nevertheless there is much in 1980's performance to encourage us for the future.

In most of the markets important to us, market shares were maintained or increased.

Our UK exports to third parties increased in value and were little changed in volume.

We were able to continue our programme of investment in fixed assets at about the same level as in 1978 and 1979 and still achieve a significant reduction in borrowings at the end of the year.

We have maintained our dividend at a level which is still well covered both on an historical and current cost accounting basis.

As the recession ends we shall be well prepared with efficient capacity to exploit growth in volume rapidly. We are convinced that adherence to the fundamentals of good value, high and consistent quality, efficient production and relevant advertising at competitive levels of expenditure will, as in the past, prove to be a potent, though demanding policy.

Finance

Group turnover rose by 5% to £630m; at unchanged exchange rates, the increase would have been 9%. Sales volume was down by about 2%.

Trading profit at £44.8m was 4% lower than 1979's £46.6m after allowing for a £3m increase in depreciation charges reflecting the heavy investment programme. Interest charges were £6.3m higher, a very substantial increase caused in roughly equal parts by higher rates and higher average borrowings, the latter a consequence of our determination to maintain our capital expenditure programme, the acquisition of Nuts Chocoladefabriek BV and the effect of inflation on working capital values.

Pre-tax profit was £31.4m compared with £40.4m in 1979. £1.5m (1979 £2.4m) was attributable mainly to the consolidation of our 20% share of the profits of The Associated Biscuit Manufacturers Ltd.

Rights Issue

The Board has announced a rights issue to raise approximately £42.0m (net of expenses) by the issue of 27,084,884 new Ordinary shares of 50p each at a price of 160p per share.

Operations in the UK

The UK Confectionery Division traded successfully last year in a market still depressed by the disadvantage, compared with most other sections of the food industry, of the increase in Value Added Tax in June 1979. Industry tonnage was 4½% lower in 1980 than in 1979; this fall reflected not only the effect of the discriminating VAT but also, in common with many other industries, de-stocking by distributors.

In this difficult market, and facing continued intense competition, the Division maintained its market leadership, slightly increasing its tonnage share, but at some cost to its trading margins.

Particularly encouraging—and a powerful reason for having confidence in the Division's policy of supporting established major brands—was the excellent performance of Kit Kat, the Division's biggest line, which in the face of competition from both established and new products again achieved record sales.

In order to make the fullest use of the Division's strength in the chocolate biscuit count line market, where Kit Kat is the leading brand, from the middle of the year the Division assumed responsibility for all the Group's UK biscuit interests.

An unhappy side of 1980's experience was the need for short-time working at six of the factories. Although the number of people made redundant was small, the cumulative effect of actions to control costs led to a reduction in the total number of employees of 1,400 compared with the beginning of the year.

The planned reorganisation of the Grocery Division referred to in last year's Report took place in June 1980. After the biscuit products were transferred to the UK Confectionery Division, all the remaining products–spreads, pickles, nuts, desserts and table jellies – became the responsibility of Rowntree Mackintosh Sun-Pat Ltd. This new company, which operates from a factory at Hadfield that has benefited from substantial capital expenditure on new plant and equipment, has started well.

Operations Overseas

Exports from the UK, both external sales and intra Group, were £66m compared with £63m in 1979. Once again the Group increased its share of UK confectionery exports. The excellent external sales performance was achieved at acceptable profit margins at a time when the price competitiveness of UK exports was weakened by the strong pound and an inflation rate internationally high. This success says much for the enthusiasm and commitment of the Export Division staff and the wide, international acceptance of our products. We were delighted with the recent announcement that for the third time since 1972 the Company has received the Queen's Award for Export Achievement.

We encouraged the European Division to persist, despite intense competition and severe pressure on margins particularly on products imported from the UK, in its strategy of building brands with an eye to long term profitability. This strategy is not likely to lead to immediate trading results significantly different from breakeven, but if it is vigorously and determinedly pursued—and we have the financial and managerial resources to do so–a major profit earning section of the Group will progressively emerge.

The Overseas Division, which is responsible for our companies in Australia, Canada, the Republic of Ireland and South Africa, achieved record profits, flowing from a sales value increase of 9%. Our success in these markets shows the benefits of resolutely pursued long-term marketing strategies.

The two Rowntree Mackintosh brands, Kit Kat and Rolo, currently on national sale in the USA under the licensing agreement with the Hershey Foods Corporation sold well and fully justified the confidence both companies had in their acceptability in the USA. Despite a somewhat depressed market, our Japanese licensees, Fujiya Confectionery Co Ltd, continued to seek every opportunity to develop sales of Kit Kat and Golden Toffee Wafer, the two brands they currently manufacture in quantity.

Outlook

Our experience this year is encouraging so far as it goes. However, I do not think it would be prudent to make a firm forecast for 1981 so early in the year. We have set targets for ourselves which we believe are realistic but we are acutely conscious, as the Board of nearly every UK company must be, of economic uncertainties that can affect performance in many of our major markets, and especially in the UK. Sturdier evidence of a recovery of UK confectionery demand would do most to strengthen our confidence in 1981's outcome.

Our attitude to these times of recession and uncertainty is, firstly, to look beyond them to the next cyclical upswing, keeping our brands strong and planning to have enough efficient capacity to let us seize the chances for growth that will come; and, secondly, to recognise the pressures of the present and, without ever losing sight of the future, seek greater efficiencies of operation wherever we can. We believe these policies will achieve results, taking one year with another, that will satisfy shareholders, employees and all others who share an interest in the Group's progress and well-being.

Kenneth Dixon

KIT KAT ✻ QUALITY STREET ✻ YORKIE ✻ SMARTIES ✻ POLO ✻ BLACK MAGIC ✻ GOOD NEWS ✻ FOX'S GLACIER MINTS
ROWNTREE'S PASTILLES ✻ AFTER EIGHT ✻ WEEK-END ✻ AERO ✻ ROLO ✻ DAIRY BOX ✻ TOFFO ✻ MATCHMAKERS
JELLYTOTS ✻ WALNUT WHIPS ✻ DRIFTER ✻ *BLUE RIBAND* ✻ BREAKAWAY ✻ *MONTEGO*
CREAMOLA ✻ PAN YAN PICKLES ✻ TABLE JELLIES ✻ SUN-PAT PEANUT BUTTER ✻ CHEDDAR SPREAD

Exxon and Gulf Oil earnings cut by soft product demand

BY DAVID LASCELLES IN NEW YORK

EXXON and Gulf Oil reported sharp falls in first quarter profits yesterday because of the softness of the oil products market, much as expected.

Exxon's earnings were $1.6bn, or $3.70 a share, down 17 per cent from last year's $1.93bn, or $4.40. But this included substantial gains from the impact of the strong dollar on Exxon's net foreign currency debt. Leaving these aside, operating earnings were $1.36bn, a decline of 25 per cent on the same quarter of 1980. Revenue in the three months was $30.3bn, up from $27.7bn.

Mr. Clifton Garvin, chairman, said: "With the continued rise in cost of OPEC and other crude oil supplies, and conservation on the part of petroleum consumers, overall demand has declined, leaving the industry with considerable excess capacity and inability to recover increased costs in many markets. The U.S. market, in particular, has become increasingly depressed over the past year."

Exxon's capital expenditures were up nearly 50 per cent to $2.2bn.

Gulf Oil, the fifth largest U.S. oil company, reported a 22 per cent earnings decline from $389m, or $1.99 to $303m, or $1.55, reducing its return on sales from 5 per cent to 4. Revenues were up slightly to $7.9bn.

Mr. Jerry McAfee, chairman, blamed the drop on the "significant losses." Gulf suffered on its downstream operations—refining, marketing and chemicals—in both the U.S. and Europe. The loss was $186m compared to a profit of $247m last year.

Earlier, Standard Oil Company (Indiana), the Amoco group, had reported a 35 per cent drop in net profits to $376.7m as a result of a $208.5m loss on refining, marketing and transportation.

Standard Oil of Ohio (Sohio) meanwhile reported a rise in profits from $520.4m to $450.7m as a result of higher prices for its Alaskan oil output. The company, 53 per cent owned by BP, has raised its dividend a third to 60 cents a share. Gulf Oil also benefited from higher prices for its oil and gas production, but the growth in profits of $5m to $230m was held down as a result of downstream difficulties.

David Churchill looks at the world's leading food and drinks groups

Nabisco and Standard Brands join forces

THE PROPOSED merger of Standard Brands and Nabisco will leave the new company — to be called Nabisco Brands — in eight or ninth place among the world food and drink companies.

The merged group will have a market capitalisation of around $2bn and sales this year approaching $6bn in a broad range of products including biscuits, breakfast cereals, peanuts and snack foods, cake mixes, pet foods, coffee and tea, confectionery and beers, wines and spirits. Non-food and non-consumer activities cover toiletries proprietary pharmaceuticals and corn sweeteners and baking and other food ingredients.

International operations will account for about a third of total sales.

The exact position of the top food and drink companies in the world is complicated by not all companies breaking down their earnings according to source. However, the companies included in the accompanying tables derive more than half of their sales from food or drink.

Unilever is by a clear margin the largest food company in the world with some £5.7bn ($12.48bn) of its total external sales of £10.2bn coming from its world-wide oils, dairy, and food businesses. Animal feeds account for another £700m. Detergents account for some £1.7bn of sales.

Unilever is one of the dominant food processors in the UK, the Netherlands, and West Germany and its total sales in the EEC were £6.8bn according to its last published figures. North America accounts for slightly more than £1bn of sales, followed by the Far East with £800m and Africa with £700m.

The Swiss-based Nestle group is also firmly established in second place in the world food and drink markets. Instant drinks, mainly coffee, accounted for almost 31 per cent of its turnover last year, with dairy products earning a little more than a fifth of total sales.

Virtually all the markets for instant drinks, including the U.S. where competition has been particularly fierce, have increased volume sales over the past year. Sales of Nestle's dairy products have especially risen in Third World markets, where Nestle has come in for strong criticism from consumer lobby groups over its policy of promoting powdered milk in Third World countries. It is argued that powdered milk encourages mothers not to breast-feed and thus leads to higher infant mortality rates.

In total, nearly 47 per cent of Nestle's turnover comes from Europe, 19 per cent from North America and nearly 16 per cent from Latin America and the Caribbean.

The largest U.S. food company is Dart and Kraft, although about 30 per cent of the company's sales come from non-food areas. Dart, which produces Tupperware kitchen equipment and Duracell batteries, merged with Kraft last autumn.

Beatrice Foods, the second largest U.S. food company, also has some 27 per cent of its sales from non-food areas, mainly manufactured and chemical products. However, the bulk of its sales come from dairy and soft drinks activities, with such well-known trade names in the U.S. as Dannon yogurts and 7-Up soft drinks.

Beatrice is also involved in speciality meats, confectionery and snack-foods, and agricultural products.

According to food industry analysts, the long-term trend in both Europe and the U.S. is towards greater concentration of food companies. This is because in the mature food markets of the West, the overall volume growth for food has become virtually static, which therefore encourages rationalisation of processing facilities.

The other major trend, however, is towards expansion in the less developed markets, either directly by exports or by setting up local production plant.

TOP 10 U.S. FOOD AND DRINK COMPANIES 1980

	Activity	Sales $bn
Dart & Kraft	Dairy, foods	9.4
Beatrice Foods	Foods, soft drinks	8.3
General Foods (incl. Oscar Mayer)	Foods, soft drinks	7.7
PepsiCo	Soft drinks, snacks	6.0
Coca-Cola	Soft drinks	5.9
Standard Brands/ Nabisco	Biscuits, snacks, confectionery, oils	5.7
Consolidated Foods	Foods	5.3
Ralston Purina	Animal feeds	4.9
Greyhound Corporation	Meat	4.8
Borden	Dairy, foods	4.6

TOP 10 EUROPEAN FOOD AND DRINK COMPANIES 1980

	Country	Activity	Sales $bn
Unilever	UK/Netherlands W. Germany	Food	22.2
Nestle	Switzerland	Food, coffee	10.9
Grand Metropolitan	UK	Dairy, beer, spirits	5.7
Allied Breweries	UK	Food, drinks	4.8
Associated British Foods	UK	Milling, baking, foods	4.6
Imperial Group (excl. tobacco)	UK	Food, beer	3.7
BSN Gervais-Danone	France	Dairy, beer, soft drinks	3.5
Ranks Hovis McDougall	UK	Milling, baking, foods	3.3
Tate & Lyle	UK	Sugar, starch	3.1
Bass	UK	Beer, soft drinks	2.8

Companies included have more than half total sales from food or drink. U.S. brewers not included. Figures based on last published accounts.

Source: Financial Times/World Food Report

Oil drilling boom helps Schlumberger

By Our New York Staff

SCHLUMBERGER, the leading oil services company, rode on the back of the boom in oil exploration to register a 40 per cent increase in first quarter profits.

The company yesterday reported that net income was $271m, or $1.41 a share, up from $191m, or $1 a share. Revenue rose 25 per cent to $1.45bn.

However, Schlumberger revealed that its Fairchild Electronics subsidiary suffered a 5 per cent drop in sales because of a severe slowing of orders and price reductions in the semiconductor industry.

Mr. Jean Riboud, the president, said the record results were attributable to the strength of oilfield activity throughout the world, and he noted that the number of active drilling rigs in North America had reached a record of 4,000.

Looking at the various divisions, he said drilling and production services reported record revenue, but measurement and control operations grew moderately.

He gave no figures for the revenue decline at Fairchild, which Schlumberger acquired in 1979.

InterNorth expects profit growth

By Terry Byland

INTERNORTH, THE U.S. energy company, said the first shipments of liquefied propane gas under its 10-year contract with Shell Oil in the Brent Field in the North Sea are expected to start next year. Shipments of 260m gallons a year are projected.

Mr. W. A. Strauss, chairman and chief policy officer, said yesterday in London that the company, which earns the bulk of its profit from natural gas and liquid fuel operations in the U.S., will achieve a "good increase" in earnings this year.

Last year, the company, formerly Northern Natural Gas, earned $211.7m on sales of $3bn. It operates 21,500 miles of pipeline serving domestic and industrial customers in the central states of the U.S.

Mr. Strauss predicted further growth in the company's major areas of business, and commented in particular on the growing use in the U.S. of propane as a fuel for trucks. This source of business is growing rapidly and now makes up 17 per cent of the company's propane sales.

Also showing signs of growth is the group's sales of polypropolene to the U.S. food packaging industry.

International Thomson income falls by 18%

BY OUR FINANCIAL STAFF

INTERNATIONAL THOMSON Organisation, the Toronto-based holding company whose main operating businesses consist of North Sea oil and UK tourist industry and newspaper interests, yesterday announced a fall in after-tax profit from £55.2m (US$98.3m) to £45.1m. But the 1981 figure includes the predicted extraordinary debit of £23.9m from the sale of the Times newspapers and supplements to Mr. Rupert Murdoch.

Trading profits showed an increase from £211.8m to £265.8m on sales of £917.2m against £687.1m.

After deducting the losses from discontinued operations and extraordinary losses, chiefly attributable to Times newspapers, earnings for the year show a fall from £36.1m or 25.9p a share to £19.7m or 14.1p.

The per share earnings on continuing operations last year were 32.4p against 39.6p in the previous twelve months. Ater allowing for the loss of 4.9p on discontinued operations, against a similar loss of 13.7p in 1979, and extraordinary losses for 1980 of 13.4p, final earnings for last year fell from 25.9p to 14.1p.

The Thomson interests received £12m or the saleof Times newspapers and supplements after losing about £70m on the two newspapers over the previous 14 years.

Hudson's Bay sees upturn

BY ROBERT GIBBENS IN MONTREAL

HUDSON'S BAY Company, the largest Canadian department store, controlled by Thomson amily interests, expects a substantial recovery in earnings during 1981. The company includes the Bay department store chain across the country, and the Simpsons and Zellers chains, which have been acquired in the past two years.

In the fiscal year ending January, consolidated earnings fell by 29 per cent to C$73.4m (US$61.6m), ($2.59 a share, including C$18.8m in extraordinary items. The company said that inflation and higher energy prices kept consumer disposal incomes down.

The Bay says it plans to spend about $160m in the current year to open 10 new Bay stores, two new Simpsons stores, and 14 Zellers outlets. Most of these new openings will be in growth areas of the country, mainly Western Canada. Comparable spending in the previous year was C$104m.

Good second quarter for Rockwell

By Our Financial Staff

ROCKWELL International, the U.S. aerospace, motor products and electronics concern, pushed up net profits from $79.7m to $92.6m in the second quarter to March 31, to almost offset the decline recorded in its opening quarter.

Sales of the group, which is prime contractor on the Space Shuttle and its main engine, were unchanged in the period at $1.8bn. Per share profits were $1.22 against $1.08.

Despite the improvement, profits were slightly down from $148.4m to $148m for the half year on sales of $3.4bn against $3.3bn. Earnings per share were $1.95 against $2.02.

Rockwell said second quarter earnings from its aerospace business were substantially improved. Profits were also aided by a singificant increase in interest income and an improved performance by its general industries business.

Aerospace results included a pre-tax gain of $15m on the sale of its general aviation division.

It said results were hurt by lower automotive earnings because of the continued depression in the car and truck market, and lower electronics earnings, mainly as a result of the discontinuance of a product line.

The total order backlog was $7bn at March 31, compared with $7.7bn a year earlier.

Foreign D-Mark bond halved

BY FRANCIS GHILES

A DM 150m foreign Deutschemark bond was launched yesterday for the World Bank by Deutsche Bank. This is one-half of what was initially planned at the German Capital Markets Sub-Committee meeting earlier this month. The cut reflects the relative lack of interest foreigners are currently showing in acquiring such paper.

The Bundesbank would not have been keen to see the size of the issue kept at DM 300m as this would have meant German investors were buying large amounts. The German central bank is not keen to promote capital export in any shape or form at present. The scaling down of the size of the issue, however, ensured a good showing in the secondary market where the bonds finished around the price of issue at 99¾.

In the dollar sector the first oil-linked Eurobond convertible —a $20m bond to 1986 for the U.S. company, Petro-Lewis— a lukewarm reception. Before it was priced yesterday, the indicated coupon of 7½-8 per cent was increased to 9 per cent, the initial amount of $30m cut by one-third and the yield, available to 1983 when investors can choose to have their bonds redeemed early, was increased from 12¼ to 14 per cent.

Swiss franc bond prices moved up by ¼ yesterday and only one new issue was announced, a SwFr 100m 10-year public issue for Japan Development Bank which carries a coupon of 6¾ per cent and is managed by Swiss Bank Corporation.

TARGET OF $7 TO $8BN SET

World Bank plans to step up borrowing

BY FRANCIS GHILES AND DAVID MARSH

THE WORLD BANK plans to borrow about $7-8bn on the international capital markets in the financial year beginning on July 1 according to Mr. Eugene Rotberg, its treasurer.

This compares with borrowings of $6.6bn in the present financial year, $5.1bn of which has been completed to date.

The bank has, however, found it somewhat more difficult to raise funds in the Eurobond markets this year than before, despite the prime rating it enjoys. The two Swiss franc foreign bonds it has arranged so far in 1981 — SwFr 100m in January and SwFr 100m in April — were both undersubscribed and the same fate befell its foreign guilder bond arranged in March.

As has been the case with other borrowers, the bank has suffered from the difficult market conditions and had been forced to pay much more for the funds it raises in the Eurobond markets than in previous years.

The bank suffered a further setback this week when the foreign D-Mark issue which Deutsche Bank arranged for it in the German capital markets was halved from an indicated DM 300m to DM 150m. The issue was well received, however, and was trading yesterday around its issue price of 99¾. The only bond issue for the World Bank this year which appears to have run entirely according to schedule is the Y30bn foreign bond just completed.

In an interview in Washington, Mr. Rotberg said the higher volume of intended borrowings next year was in line with the bank's anticipated flow of disbursements under its growing lending programme. He was speaking immediately before flying off for talks with financiers in London and the Far East.

Mr. Rotberg said the bank would be "selective" in deciding in which currencies to borrow the remaining $1.5bn it will raise by the end of the financial year.

The bank was looking at the possibility of further borrowing in D-Marks, Swiss francs, guilders and U.S. dollars. Mr. Rotberg "assumed" that the bank would float a bond issue on the sterling capital market within six months—which could be made very soon if conditions permitted.

The World Bank last borrowed in sterling about 10 years ago. The market for so-called Bulldog sterling bonds by foreign borrowers has recently become more attractive to then because of the narrowing gap between UK and foreign interest rates.

In spite of the difficult state of the German capital market, he stressed that the bank still had access to D-mark borrowings. West Germany has lately restricted borrowings in D-Marks because of rising capital outflows.

Mr. Rotberg pointed out that if the bank raised D-Marks primarily from non-German residents and then placed the proceeds, pending disbursement, in an account at the Bundesbank, the operation would actually result in a capital inflow into Germany.

The bank made a Eurodollar issue last summer. It has also borrowed dollars from central banks and roughly $1.5-1.75bn of this year's borrowings will come from these placements, in line with the traditional one-quarter share of total borrowings. Its last public bond issue on the U.S. capital market was four years ago.

Non-dollar borrowings have moderated the cost of the bank's fund raising. The average cost of the roughly $32bn of loans outstanding by June 30 is likely to be about 7.5 per cent—up only slightly from the 7.2 per cent on $12.5bn of loans outstanding in 1975.

AMERICAN QUARTERLIES

AMP

First quarter	1981 $	1980 $
Revenue	304.8m	284.2m
Net profits	31.2m	35.3m
Net per share	0.87	0.98

ANHEUSER-BUSCH

First quarter	1981 $	1980 $
Revenue	1.01bn	869.7m
Net profits	41.2m	32.3m
Net per share	0.91	0.71

AVON PRODUCTS

First quarter	1981 $	1980 $
Revenue	549.3m	516.1m
Net profits	41.3m	39m
Net per share	0.69	0.65

BAKER INTERNATIONAL

Second quarter	1980-81 $	1979-80 $
Revenue	512.8m	364.7m
Net profits	50.8m	31.1m
Net per share	0.78	0.48
Six months		
Revenue	961.7m	692m
Net profits	93.8m	56.4m
Net per share	1.40	0.87

BECTON DICKINSON

Second quarter	1980-81 $	1979-80 $
Revenue	268.6m	237.4m
Net profits	19.7m	16.9m
Net per share	0.93	0.82
Six months		
Revenue	514.7m	449.2m
Net profits	36.5m	31.6m
Net per share	1.75	1.53

BELL CANADA

First quarter	1981 C$	1980 C$
Revenue	1.69bn	1.39bn
Net profits	126.5m	93.7m
Net per share	0.69	0.55

CHROMALLOY-AMERICAN

First quarter	1981 $	1980 $
Revenue	328.6m	374.2m
Net profits	8.4m	8m
Net per share	0.51	0.49

CITY INVESTING

First quarter	1981 $	1980 $
Revenue	1.41bn	1.31bn
Net profits	28.4m	26.7m
Net per share	0.85	0.94

CLUETT, PEABODY

First quarter	1981 $	1980 $
Revenue	180.8m	165.5m
Net profits	4.8m	3.9m
Net per share	0.47	0.40

COOPER INDUSTRIES

First quarter	1981 $	1980 $
Revenue	513.5m	456.7m
Net profits	47.2m	37.6m
Net per share	1.23	1.11

COX BROADCASTING

First quarter	1981 $	1980 $
Revenue	82.5m	64.8m
Net profits	10.4m	9.1m
Net per share	0.76	0.68

DENTSPLY INTERNATIONAL

First quarter	1981 $	1980 $
Revenue	63.3m	63.5m
Net profits	1.5m	2.1m
Net per share	0.34	0.46

DILLINGHAM

First quarter	1981 $	1980 $
Revenue	387m	300.6m
Net profits	6.2m	7.3m
Net per share	0.45	0.56

DOMINION TEXTILE

First quarter	1980-81 C$	1979-80 C$
Revenue	616m	545m
Net profits	28.9m	23.3m
Net per share	2.67	2.42

FAIRCHILD INDUSTRIES

First quarter	1981 $	1980 $
Revenue	312.2m	192.5m
Net profits	17.2m	11.3m
Net per share	0.93	0.89

GENERAL HOST

First quarter	1981 $	1980 $
Revenue	98.3m	82.5m
Net profits	†1.02m	3.1m
Net per share	†0.43	1.03

† Loss.

GIDDINGS AND LEWIS

First quarter	1981 $	1980 $
Revenue	104m	90.8m
Net profits	9.1m	8.1m
Net per share	1.30	1.21

GREAT LAKES CHEMICAL

First quarter	1981 $	1980 $
Revenue	35.6m	34.4m
Net profits	5.3m	5.3m
Net per share	0.75	0.75

GREAT LAKES FOREST

First quarter	1981 C$	1980 C$
Revenue	140m	134m
Net profits	20.9m	20.5m
Net per share	4.30	6.26

JOSTENS

Third quarter	1981 $	1980 $
Revenue	80.7m	70.7m
Net profits	4.5m	4.2m
Net per share	0.45	0.42

LENOX

First quarter	1981 $	1980 $
Revenue	54.8m	52.1m
Net profits	2m	1.8m
Net per share	0.45	0.40

McGRAW-EDISON

First quarter	1981 $	1980 $
Revenue	591.5m	563.4m
Net profits	18.2m	11.6m
Net per share	1.11	0.71

MINNESOTA MINING/MANUFACTURING

First quarter	1981 $	1980 $
Revenue	1.58bn	1.49bn
Net profits	142.7m	167.3m
Net per share	1.22	1.43

MOTOROLA

First quarter	1981 $	1980 $
Revenue	811m	753.5m
Net profits	45.1m	42m
Net per share	1.44	1.35

NATIONAL STANDARD

Second quarter	1980-81 $	1979-80 $
Net profits	2m	2.7m
Net per share	0.49	0.66
Six months		
Net profits	3.5m	4.8m
Net per share	0.86	1.16

NL INDUSTRIES

First quarter	1981 $	1980 $
Revenue	605.7m	505.6m
Net profits	69.5m	36.5m
Net per share	1.76	1.07

PANHANDLE EASTERN PIPELINE

First quarter	1981 $	1980 $
Revenue	879.0m	657.2m
Net profits	78.2m	60.9m
Net per share	1.97	1.63

PENNWALT

First quarter	1981 $	1980 $
Revenue	295.0m	296.0m
Net profits	7.7m	11.4m
Net per share	0.74	1.11

PETROCANADA

Year	1980 C$	1979 C$
Revenue	1.02bn	739.0m
Net profits	55.7m	30.2m

ROYAL TRUSTCO

First quarter	1981 C$	1980 C$
Net profits	9.5m	3.5m
Net per share	0.44	0.15

SANTA FE INDUSTRIES

First quarter	1981 $	1980 $
Net profits	68.1m	52.3m
Net per share	2.32	1.82

SCHERING-PLOUGH

First quarter	1981 $	1980 $
Revenue	507.1m	452.6m
Net profits	68.4m	66.7m
Net per share	1.27	1.24

SCOTT PAPER

First quarter	1981 $	1980 $
Net profits	26.1m	34.6m
Net per share	0.67	0.99

STAUFFER CHEMICAL

First quarter	1981 $	1980 $
Revenue	629.3m	582.9m
Net profits	87.9m	69.6m
Net per share	2.00	1.59

TEXAS EASTERN

First quarter	1981 $	1980 $
Net profits	62.6m	61.3m
Net per share	2.48	2.44

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday, May 13.

Closing prices on April 23

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amer. Air 15¼ 86 (WW)	55	99⅞	100⅜	−0⅛	+0¼	15.19
Amoco 13¼ 88	76	93½	94	−0½	−0½	14.73
CIBC 14½ 84	185	98¾	99¼	−0¼	−0½	14.92
CNE 12¾ 91	100	89¾	90¼	−0⅛	−0½	14.71
Citicorp O/S Fin. 10 86	300	83½	84	−0⅛	0	14.66
Citicorp O/S Fin. 12 87	200	89	89½	−0¼	−0⅛	14.63
Con. Illinois O/S 9⅞ 86	150	81⅞	82¼	−0⅛	−0⅛	14.95
Dupont Canada 13½ 91	65	92⅞	93⅜	−0⅛	−1⅛	14.85
EEC 11 95 (May)	75	80⅛	80⅝	0	−0⅛	14.30
EEC 11 95 (August)	70	78½	79¼	0	0	14.57
EIB 12¾ 89	75	90¾	90⅞	−0⅛	−0⅛	14.88
Eldorado 13¼ 86	50	93¾	94⅛	−0¼	−0½	15.08
Elec. de France 10 88	125	79¾	80⅛	−0⅛	−0⅛	14.66
Elec. de France 13 88	125	92¾	93¼	−0⅛	−0⅛	14.66
Export Dv. Cpn. 9½ 86	150	82⅛	82⅝	+0⅛	−0⅛	14.92
Fed. Bs. D. 12¾ 85 (N)	50	91⅝	92⅛	−0⅛	−1⅛	14.76
Fin. Exp. Credit 10½ 86	50	84⅞	85⅜	−0⅛	−0⅞	15.55
Finland, Rep. of 9½ 86	100	81¼	81¾	−0⅛	−0⅛	15.14
Ford Credit O/S 14⅝ 83	150	96⅞	97⅜	−1⅛	−1⅛	15.93
Ford Cr. O/S Fin. 16 84	150	101½	102	+0⅛	−0⅛	15.11
Gaz de France 13½ 86	80	96¼	96⅝	−0⅛	−0⅛	14.52
GMAC O/S Fin. 12 87	100	87½	88	−0⅛	−0½	15.05
GMAC O/S Fin. 12¾ 88	100	90⅛	90⅝	−0⅛	−0⅛	15.18
Gen. Mtrs. O/S 11⅞ 87	100	87	87½	−0⅛	−0⅛	14.90
Genstar 14¾ 91	50	97⅛	97⅝	0	+0⅛	15.27
GTE Fin. 13¾ 85 (WW)	50	97⅛	97⅝	0	−0⅛	14.50
Hudson's Bay 11½ 90	75	82½	83	−0⅛	−0⅛	15.08
IBM Wld. Trade 12¾ 88	200	93¼	93¾	−0⅛	−0⅛	14.01
Newfoundland 13½ 90	60	92⅜	92⅞	−1⅛	−1⅛	15.03
Nova Scotia 10¾ 90	50	79¾	80¼	−0½	−1	14.84
OKB 10 85	50	85⅜	86⅛	−0⅛	−0⅛	14.63
Ontario Hydro 13½ 91	100	92⅞	93⅜	−0⅛	−1⅛	14.84
Quebec Hydro 11½ 92	100	82⅜	82⅞	0	−0⅛	14.75
Queb. Hy. 13 91 (WW)	100	90⅛	90⅝	0	−0⅛	14.87
Rovlease 11¾ 85	60	89⅜	89⅞	−0⅛	−0⅛	14.81
SNCF 12⅞ 85	50	93½	94	−0⅛	−0⅛	14.50
SNCF 13 91	75	91⅞	92⅜	−0⅛	−0½	14.56
Sth. California Ed. 14 87	50	96⅜	96⅞	−0⅛	−0⅛	14.88
Sven Handelsbk. 13¾ 88	45	93⅞	94⅜	−0⅛	−0⅛	15.17
Sweden 12¾ 85	150	91¼	91¾	−0¼	−1	15.09
Swed. Ex. Credit 12 83	50	93¾	94¼	−0⅛	−0⅛	15.01
Swed. Ex. Credit 13 86	75	91¾	92¼	−0⅛	−0⅛	15.45
Tribune O/S Fin. 14 86	50	96½	97	−0⅛	−0⅛	14.95
World Bank 9¾ 85	200	85⅜	86⅛	−0⅛	−0⅛	14.49
World Bank 10½ 87	300	82⅞	83½	−0⅛	−0½	14.64

Average price changes... On day −0⅛ on week −0½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8¾ 90	100	90¾	91⅛	0	+0⅛	9.90
Australia 8½ 90	250	95½	96	0	+0⅛	8.83
Austria, Rep. of 8¾ 92	150	89⅛	89⅞	+0⅛	0	9.80
CECA 7⅞ 92	150	87¾	88½	+0⅛	+0⅛	9.63
CECA 10 91	120	102¾	103	0	+0⅛	9.57
CII-Honeywell 8⅝ 90	125	90⅛	90⅞	0	−0⅛	9.98
EIB 8½ 90	200	91⅛	91⅞	0	−0⅛	9.91
EIB 10½ 91	200	102⅛	102⅞	+0⅛	+0⅛	10.09
ESCOM 9¾ 87	100	93¾	94½	0	−0⅛	10.51
Iberduero SA 9 90	100	94⅞	95⅜	0	+0⅛	9.83
Ind. Bk. Finland 8½ 90	50	89⅝	90⅜	−0⅛	−0½	10.17
Int.-Amr Dv. Bk. 10 91	100	99½	100¼	+0⅛	+0⅛	10.07
Japan Air Lines 8¾ 87	100	92⅞	93⅝	0	−0⅛	9.54
Japan Dev. Bank 7¾ 87	100	89¾	90½	+0⅛	−0⅛	9.76
Kobe, City of 8 90	100	90¾	91½	+0⅛	+0⅛	9.48
Midland Int. Fin. 8½ 90	180	92⅝	93⅜	+0⅛	+0⅛	9.64
Nuclebras 9¾ 88	100	91⅞	92⅝	−0⅛	+0⅛	11.44
OKB 8¾ 92	150	88¾	89½	0	−0⅛	9.89
Oslo, City of 8¾ 90	80	94⅞	95⅝	+0⅛	+0⅛	9.66
Venezuela, R. of 9¾ 90	150	94¾	95½	+0⅛	+0⅛	10.57
World Bank 8 90	700	87⅝	88⅜	0	−0½	10.03
World Bank 10 88	150	100⅞	101⅝	−0½	−1	9.74
World Bank 10 90	200	101	101¾	−0⅛	−0⅛	9.76

Average price changes... On day 0 on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria, Rep. of 5¾ 90	100	†88	88½	−0⅛	−1	7.14
BFCE 6½ 91	100	100¼	100½	0	+0¼	6.44
Bayer Int. Fin. 5¾ 92	100	†91	91½	−0⅛	+0⅛	6.35
Bergen, City of 6 90	50	93¾	94¼	−0⅛	−0⅞	6.91
Buhrm'-Tetterode 7 90	40	100½	100¾	+0½	+0⅞	6.90
Copenhagen Tele 5¾ 90	60	90½	90¾	+1⅛	+0⅛	7.15
Denmark 5¾ 90	80	90	90¼	+0⅛	+0⅞	7.25
Dome Petroleum 5¾ 91	100	94½	94¾	−0⅛	+0⅛	6.50
Elet. de France 5¾ 90	100	88¾	89¼	−1½	−1⅛	6.87
Eurofima 5¾ 92	80	†98¼	99	−0¼	0	5.90
F. G. H. Hypo. Bk. 6 90	50	†94	94½	−0½	0	6.86
Finland, Rep. of 5¾ 90	80	88½	88¾	+0⅛	0	7.35
Int.-Amer. Dev. 7 90	80	100¼	100½	+0⅛	−0⅛	6.94
Japan Dev. Bank 5¾ 90	100	94⅞	95⅛	−0½	+0½	6.47
Jutland Tele. 5½ 90	50	87	87½	+0⅛	−0⅛	7.53
Mt. Blanc Tunnel 5½ 90	60	†90	90½	0	−0⅛	6.94
Newag 6¾ 90	80	92	92¼	+0⅛	−0⅛	6.93
Norges Komm. 4¾ 91	100	82	83	+0⅛	+0⅛	6.76
OKB 6 90	100	†95	95⅛	+0⅛	+0⅞	6.74
Oslo, City of 4¾ 91	100	80	80¼	+1½	+1⅛	7.12
Oslo, City of 5¾ 90	80	92¼	92½	+0⅛	0	6.99
Philips Lamps 5¾ 92	100	89	89½	+0⅛	0	6.63
Sekisui Pre. Hms. 6 90	80	96¼	96½	+0⅛	+0⅛	6.53
Trade Dev. Fin. 6⅛ 90	50	†93	94	−0⅛	−0⅛	7.09
Voest-Alpine 5¾ 90	80	†90	91	−0⅛	+0⅛	7.16
World Bank 6 91	100	92⅞	92⅞	−0⅛	0	7.04

Average price changes... On day +0⅛ on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	93	94	0	−0⅛	8.59
Australia 6½ 88	20	87⅛	88⅛	0	−0⅛	8.95
EIB 7⅜ 89	12	93½	94½	+0⅛	−0⅛	8.78
Finland 5.6 83	10	92½	93½	−0⅛	−0⅛	8.77
Finland 6.8 88	10	87⅞	88⅞	+0⅛	0	9.17
Finland, Rep. of 8½ 87	15	99	100	+0⅛	+0⅛	8.48

Average price changes... On day 0 on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	50	90½	91½	0	+0⅛	13.12
CIBC 13½ 85 C$	50	94	94¾	−0⅞	−2⅛	15.45
CIBC 11½ 85 C$	60	90¾	91¼	+0⅞	+0⅞	14.53
Federal Dev. 11½ 90 C$	60	†83½	84½	−0⅛	−0⅛	14.75
Fst. Can. Inv. 10 84 C$	50	†86⅝	87⅝	0	+0⅛	15.64
R. Bk. Canada 10 86 C$	40	91½	92½	0	0	12.20
Terdom Cpn. 13½ 86 C$	30	†85	86¾	−0⅛	−1⅛	15.69
Mt. Bk. Dnmk. 9 91 EUA	25	90¾	91½	0	−0⅛	10.45
SOFTE 8¾ 89 EUA	40	86½	87¼	+0⅛	+0⅛	10.73
U. Bk. Nrwy. 9½ 90 EUA	18	97	98¼	0	−0⅛	9.91
Algemene Bk. 10¼ 86 Fl	60	96¾	97¼	0	−0⅛	11.06
Bk. Mees & H. 10 85 Fl	75	97	97½	+0⅛	−0⅛	10.81
Heineken NV 10 87 FL	100	95¼	95¾	+0⅛	+0⅛	11.01
Ned. Nedrindn. 10 88 Fl	60	95⅛	95⅞	+0⅛	0	10.93
Ned. Midd. Bk. 10 85 Fl	75	97⅝	98⅛	−0⅛	−0⅛	10.59
Pierson 10⅛ 86 Fl	50	96⅞	97⅜	+0⅛	−0⅛	11.03
Aero Paris 13¼ 87 FFr	150	93¾	94⅜	+0⅛	+0⅛	14.53
Charb'nages 13⅞ 85 FFr	400	98¾	99¼	0	0	14.20
CECA 14¾ 86 FFr	150	99⅝	100⅛	+0⅛	+0½	14.20
EIB 14¾ 88 FFr	300	98½	99½	+0⅛	+0⅛	14.32
Gaz de France 11 84 FFr	160	91⅛	91⅞	−0⅛	−0⅛	14.16
La Redoute 14⅞ 85 FFr	125	95¼	96¼	+0⅛	+0⅛	15.65
OKB 14 86 FFr	400	98¾	99¾	+0⅛	+0⅛	14.13
Solvay et Cie 14¾ 86 FFr	200	102⅝	103⅜	+0⅛	+0⅛	13.87
Utd. Mex. Sts. 14 85 FFr	150	97	98	+0⅛	+0⅛	14.82
Acona 14 85 £	20	96	96½	0	+0⅛	15.07
Beneficial 14½ 90 £	20	94	94½	−0⅛	+1	15.38
BNP 13½ 91 £	15	96⅞	96⅞	−0⅛	−0⅛	14.22
CECA 13½ 88 £	20	96⅛	97⅛	0	+0⅛	14.18
Citicorp O/S 13½ 90 £	50	95⅞	96⅞	0	0	14.24
Fin. Exp. Cred. 13¾ 86 £	15	97⅜	98⅜	0	+0⅛	14.33
Gen. Elec. Co. 12½ 89 £	50	93¾	94½	0	+0⅛	13.75
Hiram Walker 14¾ 86 £	25	97⅞	98⅞	−0⅛	+0⅛	14.90
Privatbanken 14½ 88 £	12	97	97½	0	+0⅛	15.16
Rothschild 14⅞ 90 £	12	97¼	98¼	0	+0⅛	[illegible]
Royal Trustco 14 86 £	12	99	99¾	0	+0⅛	[illegible]
Swed. Ex. Cr. 13¾ 86 £	20	97¼	98¼	−0⅛	+0⅛	[illegible]
Banobras 8¾ 90 KD	7	†91½	92	0	0	[illegible]
CCCE 8½ 91 KD	10	†83¾	84¾	0	0	[illegible]
Sonatrach 8½ 90 KD	12	†94¾	95¾	0	0	[illegible]
Akzo 9¾ 87 LuxFr	500	85⅞	86⅞	0	−0⅛	[illegible]
Euratom 9¾ 88 LuxFr	500	88⅝	89⅝	+0⅛	+0⅛	12.19
Eurofima 10½ 87 LuxFr	500	92¼	93¼	0	+0⅛	12.17
EIB 9¾ 88 LuxFr	600	90¾	91¾	0	+0½	11.79
Volvo 9¾ 87 LuxFr	500	86	87	0	0	12.88

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¾ 87	0¼	99¼	99½	2/7	16⅝	16.71
Bank of Montreal 5¾ 90	0⅛	99¼	99⅞	18/6	19½	19.57
Bank of Tokyo 5¼ 89	‡0¼	98¾	99¼	25/4	19.31	19.53
BBL Int. 5 86	0⅛	98⅞	99⅜	20/5	18½	18.65
Bergen Bk. A/S 6 89	‡0⅛	†98	99½	29/5	17⅛	17.25
BNP 5½ 88	‡0⅛	99¼	99½	29/4	18.69	18.78
CNT 5¾ 86	§0¼	99¼	99¾	16/10	16.81	16.90
Christiania Bk. 5½ 91	‡0¼	97⅞	98⅛	5/5	17¾	18.14
Citicorp O/S F. 84	‡0	98¾	99¼	30/4	15.44	15.59
C. Itoh 5¾ 87	0¼	98¾	99¼	18/9	15.44	15.59
Co-operative Bk. 6 86	0¼	97½	98	16/5	16¼	15.60
Den Norske Credit 6 90	‡0¼	98⅛	98¾	5/5	17¾	18.02
Genfinance 5¾ 87	0¼	99⅛	99¾	30/4	15⅛	15.20
Giro und Bank 5¾ 91	‡0¼	97½	98	23/6	14.06	14.39
GZB 5½ 89	‡0¼	98⅞	99⅜	1/5	17⅞	18.03
Ind. Bank Japan 5¼ 87	0⅛	98⅛	98⅞	15/10	17.06	17.13
Ind. Bank Japan 5¼ 88	0¼	99	99½	9/10	16.44	16.56
Lloyds Eurofin 8 90 £	0⅛	97	97½	3/7	14½	14.91
Lloyds Eurofin 5¾ 92	0¼	98⅛	98⅝	4/6	17¼	17.53
LTCB Japan 5¼ 86	0¼	99⅞	100⅜	11/6	20.19	20.16
Man. Hanov. O/S 5¾ 94	‡0⅛	98½	99	30/5	17	17.22
Midland Intl. Fin. 5½ 92	0¼	98⅛	98¾	5/6	17.19	17.45
Nacional Fin. 6½ 86	0⅛	99⅛	99¾	25/7	17⅜	17.34
Nacional Fin. 5½ 88	0¼	97⅛	97⅝	25/9	14⅞	15.24
Nat. Bk. Canada 5¼ 88	0¼	97⅜	98¼	24/9	14½	14.80
Nat. West. 5¼ 94	§0¼	97⅞	98⅜	14/10	16.19	16.52
Nat. West. 5¾ 92	§0¼	98	98½	23/10	16.81	17.11
Pemex 6 91	0⅛	97⅛	97⅝	8/10	15.31	15.59
Sparebanken 6 87	0⅛	98⅛	99⅛	19/6	19⅞	19.97
Standard Chart. 5¼ 90	0¼	99⅛	99⅝	3/9	17.06	17.13
Svenska Hndlsbk. 5 87	0¼	99⅛	99⅝	15/7	17.81	17.88

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	98⅛	99⅛	0	35.57
Canon 6¾ 95	1/81	829	132	133	+4⅞	7.96
Credit Suisse 4¾ 93	10/79	1236	92½	94½	0	−2.02
Digicon Fin. 8½ 95	10/81	29.5	105⅛	106⅛	−1⅛	1.69
Ina Overseas 8¾ 2000	4/81	42	107¼	109	+2⅛	−1.05
Inchape Ltd. 8 95	2/81	4.65	95	96	+2	1.68
Jaccs 7½ 95	11/80	565	113	114	0	7.43
Kotobukiya Co. 7 96	4/81	619	99	100	−0⅛	−7.14
Marion Int. Fin 9 95	12/80	15.5	84½	85½	0	33.55
Matsushita El. 7½ 95	11/80	590	110⅞	111⅞	+1⅛	0.59
MEPC 8¾ 96	2/81	2.47	99¾	101¼	−0⅛	11.77
Niigata Eng. 7½ 96	1/81	327	100	101	−3½	9.00
Nissho-Iwai Co. 8 96	10/80	398	78½	79½	−2	0.59
Ricoh 6¾ 95	8/80	604	119⅝	120⅝	−0⅛	0.62
Sumitomo M. Ind. 7 95	2/81	181	124⅛	125⅛	−1⅞	−0.93
Swiss Bk. Con. 6¾ 90	9/80	200	79	81	0	23.16
Taylor Woodrow 8¾ 90	1/81	4.94	108½	110	+0⅞	−0.48
Tokyu Land Cpn. 7½ 96	4/81	325	102¼	103¼	+0⅛	2.06
Transco Int. 8¾ 95	2/81	68	84½	85½	−1½	42.05
Tricorp 8½ 95	12/80	31.25	89¾	91	−0⅛	39.47
Union Bk. Switz. 5 89	2/80	121.4	78	80	0	−9.47
Fujitsu 5 84 DM	7/79	431.5	151½	152½	−4	−5.20
Sharp Cpn. 6½ 88 DM	9/80	595	159½	160½	−6⅛	−4.21
Uny Co. 6½ 85 DM	11/78	879.3	106⅞	107⅞	−0⅛	−0.09

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Consumer goods slump takes toll of Moulinex

BY TERRY DODSWORTH IN PARIS

THE SLUMP in the French and European consumer goods market took a heavy toll of Moulinex, the French kitchen and household equipment group, whose net profits dropped by almost 35 per cent, from FFr 90.1m to FFr 59m ($12m) for 1980.

The company's consolidated sales rose by only 5.5 per cent — against a domestic inflation rate of 13.6 per cent — from FFr 2.1bn to FFr 2.2bn. Depreciation amounted to FFr 139.4m, an increase of almost 7 per cent.

Moulinex's performance was expected to decline substantially last year following the announcement by M. Jean Mantelet, its chairman and founder, that he was looking for closer links with a larger group to ensure the future of the company. M. Mantelet, who has a 65 per cent stake in the business, has made it clear that he would support a merger, but despite persistent rumours, no bidder has so far announced itself.

The company has introduced substantial short-term working this year. It admitted yesterday that its stocks remained high, but added that cuts in output should help it to get back to a better balanced situation.

Moulinex is aiming for a recovery led by a number of new, more sophisticated products. Some of these have already been introduced, but they only had a marginal impact on sales at the end of last year. The group added that it was continuing with its international diversification, particularly in South America.

French groups in merger talks

BY DAVID WHITE IN PARIS

TWO IMPORTANT French holding groups, Pricel, based mostly on textiles, and Chargeurs Réunis, with interests in shipping and air transport, are studying plans for a merger.

Share-exchange terms for the formation of the new group, which would use the name Chargeurs Réunis, are due by the middle of June so that they can be put to shareholders at the end of July. Pricel, which has built up diversified interests to offset the decline in the textile industry, already owns 34 per cent of Chargeurs Réunis.

The merger would also bring in Société Financiere de l'Armement, a finance unit two-thirds controlled by Chargeurs Réunis. It is also proposed to absorb Société Financière d'Investissement et de Placements—a leading shareholder in Chargeurs Réunis.

Pricel reported a drop of almost 8 per cent in its consolidated earnings for last year, to FFr 106m ($20.6m) from FFr 115m, including for the first time its share in profits from Chargeurs Réunis. Turnover was 15 per cent down at FFr 1.8bn as a result of the sale of five textile plants and the closing down of four others.

The company, which intends to hold its net dividend at FFr 9.50 a share, said that on the basis of results in the first quarter, this year should see a marked recovery in its industrial subsidiaries.

Chargeurs Réunis, despite strong competition and poor results on its main shipping routes, improved its consolidated net earnings last year by 25 per cent to FFr 126m from FFr 101m. Turnover was 14 per cent higher at FFr 6.4bn.

The company, which like Pricel is proposing to maintain its dividend of FFr 12.50 net a share, said that last year's trends were continuing this year.

● In a separate deal, IFI International—an offshoot of Instituto Finanziario Industriale (IFI), holding company of the Agnelli family—is to acquire Chargeurs Réunis's 50.8 per cent stake in Safic-Alcan, a French concern engaged in the rubber industry, writes Rupert Cornwell in Rome.

The agreement stipulates that Chargeurs Réunis will take direct control of the existing 65 per cent stake held by Safic-Alcan in Ste. Seppic, a company operating in the cosmetics and pharmaceuticals field.

Dividend cut from Solvay as earnings tumble

By Giles Merritt in Brussels

SOLVAY, the giant Belgian chemicals group, has announced a dramatic profits tumble for 1980 and it is to cut its dividend. Despite a further increase in consolidated turnover, profits have plunged to BFr 1.98bn ($56m) from the BFr 5.1bn achieved in 1979.

Solvay said that the setback was due to weak demand for plastics, raw materials price rises, and the group's own investment drive in the U.S. Sales rose by 14 per cent to BFr 138.5bn.

In September last year, when declaring its half-year interim figures, Solvay warned that net earnings for the first half had fallen by 7.5 per cent on the same 1979 period and stood at BFr 1.69bn. It added that prospects for the rest of the year were "not encouraging."

The Belgian group had also warned a year ago that the exceptionally high profits and sales achieved during 1979 reflected stock building by industry that was liable to hit Solvay's 1980 performance. In 1979 turnover rose by 27 per cent from BFr 95bn to BFr 121bn, and net profits leapt by 44 per cent from the BFr 3.26bn of 1978.

Dividends on the A and B shares are to be cut by a fifth to BFr 200 per share with the payment on the C shares moving down by a similar percentage to BFr 80.

BMW profits fall but payment held

By Kevin Done in Frankfurt

THE WEST GERMAN manufacturer of high-performance cars and motor cycles, Bayerische Motoren Werke (BMW) is maintaining its dividend payment at DM 10 a share despite a fall in after-tax profits.

The company boosted its turnover worldwide by 9.6 per cent to DM 8.12bn ($3.76bn) last year, but suffered an 8.5 per cent drop in parent company after-tax profits to DM 160m ($74.03m) compared with DM 175m in 1979. More than half of the BMW equity is held privately by the Quandt family.

Despite the recession in important world car markets BMW managed a marginal increase in production and volume sales of 1.2 per cent.

The company suffered a serious decline in sales in the home market, in common with nearly all domestic car makers.

Shipping upturn boosts Van Ommeren result

BY CHARLES BATCHELOR IN AMSTERDAM

VAN OMMEREN, the Dutch shipping, storage and transport group, reported a near doubling of profits in 1980 and plans to pay a sharply higher dividend. Profits in the current year are also expected to develop favourably.

Net profit rose to Fl 92.4m ($38.5m) from Fl 47.5m in 1979 with much of the improvement occurring in the shipping and tank storage divisions. Earnings per share rose to Fl 8.92.

The company proposes a final dividend of Fl 2.20, taking the total payment to Fl 3.20 a share, compared with Fl 1.80 the year before. The final payment may be taken either in cash or as Fl 1 in cash and Fl 0.50 in shares.

At the timeof the announcement oft he 1980 half-yearly figures Van Ommeren pointed to favourable developments in the dry cargo market and its tank storage activities as well as the modernisation of the group fleet.

Good year for Poclain

POCLAIN, THE French maker of earthmoving equipment which is 40 per cent controlled by Tenneco-Case of the U.S., has increased 1980 net profits by 29 per cent but is again not paying a dividend, writes our Financial Staff.

Net earnings have improved to FFr 104.1m ($20.4m) from FFr 80.7m despite a modest decline to FFr 95.5m from FFr 100.8m in operating profits. Parent company operating profits totalled FFr 100.7m against FFr 80.2m.

State funds for Danish steel plant

By Hilary Barnes in Copenhagen

THE DANISH Government has asked the European Community to approve a financial reconstruction of Det Danske Staalvalsevaerk, the scrap-metal steel works. The plan is understood to involve a substantail government subsidy, as well as funds put up by shareholders and financial institutions.

It is felt here that the Community will react favourably to the Danish plan on the grounds that the mill is the only one in Denmark, is small by European standards, and is one of the most modern in Europe.

The financial package is expected to total DKr 750m ($51m), including a government investment of DKr 200m. Details may be revealed next Tuesday at the annual meeting.

The steel works produces just under 800,000 tonnes of crude steel a year, and about 650,000 tonnes of milled steel. Its 1979 turnover was DKr 1.17bn ($172m) on which there was a loss of DKr 132m.

Income dips at Societe Generale de Banque

BY OUR BRUSSELS STAFF

BELGIUM'S largest bank, the Societe Generale de Banque, increased its non-consolidated balance sheet by 17 per cent last year to BFr 1,002.2bn. Net profits, however, dipped to BFr 1.9bn ($54m) from BFr 1.99bn.

The bank ascribed the slowdown in earnings to the reduced profitability of Belgian industry. This in turn reflects the country's high interest rate levels. Other factors include the slower growth of savings in Belgium and increases in the bank's own general costs have also contributed.

The rise in the balance sheet, however, was for 1980 a marked improvement over SGB's performance in 1979, when the balance sheet increased by 14.5 per cent over the year before.

For 1980, deposits and the yield from issuing cash certificates rose by 10.6 per cent over 1979, to BFr 527.5m, which shows a slight improvement over 1979 when the year on year rise in customer deposits had been only 10.1 per cent.

Bankers' deposits, though, increased by 29.8 per cent over 1979, which showed a substantial gain over the 20.4 per cent advance recorded in 1979 on 1978.

Dividend is being maintained at BFr 225 a share.

Aker reduces losses

BY FAY GJESTER IN OSLO

AKER, the Norwegian shipbuilding and offshore fabricating group, made an operating loss after depreciation of NKr 4.3m ($784,814) in 1980, compared with one of NKr 15.8m in 1979. Most of its member companies maintained activities throughout the year but profitability was poor.

Product prices were depressed by world overcapacity, and on some contracts operating costs exceeded budget estimates. The group forecasts an improvement this year as increased activity on Norway's continental shelf leads to more profitable oil-related orders. It does not expect to reap the full benefit of the offshore upswing, however, until 1982-83.

Turnover fell to NKr 2.3bn, from NKr 3.7bn a year earlier. For the seventh year running, no dividend is being paid.

The group's net result, after special items and year-end appropriation, was a profit of NKr 10.5m, compared with a deficit of NKr 3.9m in 1979.

Fiat lifts stake in Sofim

BY RUPERT CORNWELL IN ROME

FIAT, IN which IFI has a 30 per cent controlling interest, has confirmed that it has acquired the 24.5 per cent interest formerly held by Renault, the state owned French motor company, in the capital of Sofim, the diesel engine manufacturing concern based close to Foggia in southern Italy and capitalised at L30bn ($28m).

The transaction increases the Turin-based car manufacturer's stake in Sofim to 95 per cent; the remaining 5 per cent stays in the hands of Alfa Romeo, the number two Italian motor group.

The 2,000cc and 2,500cc engines produced by Sofim are mostly used to equip the diesel versions of Fiat's 131 and 132 models. Renault uses them for its "Master" commercial vehicle.

This it will continue to do, with the difference that henceforth it will buy the engine direct from Sofim, instead of being automatically entitled to a share of the output.

Iscor sells part of Metkor to Rembrandt

By Our Johannesburg Correspondent

ISCOR, South Arica's state-owned steel producer, has sold part of its investment in Metkor to Partnership in Industry, a wholly-owned subsidiary of Rembrandt, the diversified tobacco concern, as part of its policy of disengaging from private sector enterprise. The companies decline to disclose details of the sale, but the shares are believed to have been sold at a market-related price. This would put a value of about R8m (US$10m) on the ordinary share part of the deal.

Metkor is an industrial holding company with a 37.1 per cent interest in African Gate, the engineering company, 37.3 per cent of International Pipe and Steel Investments (which in turn has 52 per cent of Stewarts and Lloyds and Dorbyl, the steel engineering companies), 38.7 per cent of Union Steel, and the entire share capitals of Wispeco Holdings, the wire rope manufacturer, and Hart, the cookware manufacturer.

The Rembrandt subsidiary spent the R8m or so to acquire 10.8m Ordinary Metkor shares from Iscor. In addition, it has bought 4.1m of the 4.9m Metkor 10.5 per cent cumulative convertible non-redeemable preference shares held by Volkskas Industries, a wholly-owned subsidiary of the Volkskas group, the banking and finance concern. Though these transactions apparently give Rembrandt less than a 14 per cent stake in Metkor, Mr. Joggie Vermooten, the deputy chairman of Metkor, and Volkskas say that when the preference shares are converted in October 1981, Rembrandt will have 20 per cent of Metkor's equity. Iscor will be left with a 30 per cent interest

Exposure of the Metkor sale has raised the idea in Johannesburg that Iscor's next move will be to sell all or part of its 45 per cent interest in Samancor, one of South Africa's major producers of ferro-alloys and manganese and iron ores. Tommy Muller, the Iscon chairman, says, however, that this is not being considered at present.

In 1977, Iscor sought to sell its Samancor stake to General Mining, the mining house. A substantially higher bid from Anglo American led to Government intervention

Multi-Purpose Holdings to make record rights issue

BY WONG SULONG IN KUALA LUMPUR

MULTI-PURPOSE Holdings (MPH), the financial arm of the Malaysian Chinese Association, the Chinese partner in the Government, is to raise 385m ringgit (US$ 165m) by way of rights—the largest ever issue of the kind in Malaysia or Singapore.

The proceeds of the issue will go to finance the group's expansion plans, which include a stake of something less than 50 per cent in United Malayan Banking Corporation, at an estimated 150m to 200m ringgit, the purchase of Inter-Continental Housing Development, the Hong Kong company with substantial property interests in Malaysia for 200m ringgit, and the purchase of a 1,700 acre estate with housing potential near Kuala Lumpur, at a cost of 33m ringgit.

A broad capital reorganisation will increase the MPH's paid-up capital to 380m ringgit, making it Malaysia's biggest non-oil company in terms of issued shares.

MPH said it would capitalise 14.7m ringgit from its share premium account and 52.3m ringgit from its capital reserve account to make a three-for-five scrip issue. At the same time, it will make a one-for-one rights issue of 1 ringgit shares to be sold at 1.5 ringgit.

A further rights issue of 100.7m shares, priced at 1.75 ringgit each, is to be made to Multi-Purpose Cooperative which will end up holding more than 50 per cent of MPH. Multi-Purpose Cooperative has over 25,000 members, who are also members of the MCA.

Meanwhile, two of MPH's publicly quoted companies, Malaysian Plantations, and Bandar Raya Developments, have announced improved earnings for the year ended December.

Malaysian Plantations lifted pre-tax profit by just 4 per cent to 14.5 ringgit, and is declaring a final dividend of 12 per cent.

Bandar Raya, a property developer, reported better results, with pre-tax earnings rising by 30 per cent to 9.2m ringgit. It is paying an unchanged dividend of 10 per cent.

MPH was formed five years ago by the MCA to encourage Chinese to venture into large-scale business, as opposed to traditional family-based enterprises. Earlier this year, the group's plan to buy 51 per cent of United Malayan Banking Corporation, Malaysia's third largest bank, ran into political opposition from the Malays. A compromise formula is currently being worked out.

MPH has also said it would be seeking a public listing on the Kuala Lumpur stock exchange later this year, although the form of listing has not yet been disclosed.

Weeks to float off Australian subsidiary

By Our Sydney Correspondent

WEEKS PETROLEUM, the U.S. oil group, is seeking to raise A$36.75m (US$42m) in the longest ever flotation by an Australian oil company.

The parent company will transfer Australian interests into a new company, Weeks Australia, including its share in the Cooper Basin gas field and the North West Gas Shelf project.

But Weeks Petroleum will retain the royalties accruing from Bass Strait oil production and a small parcel of Alliance Oil shares.

The flotation will be the second largest in Australia since Energy Resources of Australia raised A$57.5m last year.

Shareholders will be offered shares in the new company on the basis of four Weeks Australia shares for every five Weeks Petroleum shares held.

Weeks Petroleum shareholders will also be eligible to take up two Weeks Australia options under the terms of the offer.

The shares will be issued at a par value of 50 cents, and Weeks shareholders accepting the offer to subscribe for options will pay 50 cents for each option.

Weeks Petroleum is reserving 35m ordinary 50 cent shares and 17.5m options for its shareholders, which is half of the proposed flotation.

The oil group first revealed plans for the issue in November, saying it would help speed up its exploration. The floatation is being underwritten by the Melbourne stockbroker, A. C. Goode and Company.

NTT develops largest computer

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S state telecommunications monopoly, Nippon Telegraph and Telephone, has developed a computer which it says has the world's largest main storage capacity. The so-called DIPS-II Model 45 can accommodate 128 megabytes of information, approximately four times as much as other recently announced big computers.

The NTT computer, of which a single unit has so far been built, is designed for telecommunications use, rather than for general purposes, and will be built only for NTT itself. The manufacturer of the computer will be Fujitsu, Japan's leading commercial computer maker.

NTT has three research laboratories in which equipment for use in its telecommunications networks is developed in partnership with engineers from the private sector. The corporation does not manufacture equipment but places orders with private companies. Apart from Fujitsu, both Hitachi and NEC have built earlier models in the DIPS-11 series.

NTT's report of the new computer comes two months after an announcement by Hitachi of a new computer in its M series, said at the time to be the most powerful in the world. Fujitsu is also expected to come out with a new computer in the near future.

OIL PRODUCT VENTURE IN PACIFIC AREA

Kuwait furthers downstream ambitions

BY PATRICK COCKBURN

THE KUWAIT Petroleum Corporation (KPC), the national oil company, has agreed with Pacific Resources of Honolulu to set up a joint venture to supply petroleum products to customers in the Pacific area.

KPC will contribute $185m in cash to the venture, which will be owned equally by the two partners.

Pacific Resources will manage the new venture, and put in its oil refining, marketing and related petroleum operations. Last year, the company had sales of $838m.

KPC is currently negotiating two other joint ventures, in Bahrain and Malaysia. In Bahrain, Kuwait will join the local government and Saudi Arabia in establishing a new cracking facility at the 250,000 barrels a day Awali refinery. This will cost $400-$600m and most of the crude for the refinery will come from Saudi Arabia.

In Malaysia, KPC is planning to enter a joint venture with the national oil company, Petronas, to set up a 200,000 barrels a day refinery near Kuala Lumpur.

Two options are being considered, according to the Middle East Economic Survey. Petronas, it is said, will either build the refinery itself, with KPC installing its own cracking facility nearby, or Petronas will look after the distillation and join with KPC in looking after the cracking with KPC.

All three schemes are part of Kuwait's attempt to move into downstream operations in the oil industry, both by increasing its own refining capacity to some 750,000 b/d and by entering joint ventures overseas.

KPC recently established the Kuwait Overseas Petroleum Exploration Company, capitalised at $364m, as a wholly owned subsidiary. This company will undertake oil exploration and field development. KPC also set up, at the end of last year, the Kuwait International Petroleum Investments Company.

The corporation sees its future as moving away from the sale of crude oil to the major oil companies, and towards refining and marketing. Following the recent quarrel with its main customers over a premium of $5.50 charged on the price of much of its crude, Kuwait is likely to reduce its sales to about 1.2m b/d compared with a previous ceiling of 1.5m b/d.

Spending boom lifts CNA profits

By Our Johannesburg Correspondent

CNA INVESTMENTS, the South African retailer of periodicals, books and audio equipment has benefited strongly from the country's consumer spending boom. In the year to February 28, turnover rose 29.3 per cent to R90.5m ($112m), from R70m in the previous year, while pre-tax profit was 89.8 per cent ahead, at R8.65m ($10.7m) compared with R4.56m.

The management says that all subsidiaries traded strongly over the year, and that CNA itself increased its market share in the highly competitive retail sector. Central Data systems was sold to Lucem Holdings, with effect from September 1, for R750,000 in cash and R1.7m in certificates which are automatically converted into Lucem shares at market-related prices in 1983.

A total dividend of 50 cents a share has been declared, from earnings of 165.6 cents. During the preceding year the dividend total was 33 cents and earnings per share 92.2 cents.

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Brian Groom looks at the new face of East-West espionage

Subversion: a two-way traffic

AT THE height of the Anthony Blunt spy scandal in Britain at the end of 1979, Mr. George Young, a former deputy director of MI6, declared that Soviet intelligence activities had shifted in emphasis since the 1930s from recruitment at the old universities to subversion in industry.

From the other side of the ideological divide, the Soviet news agency Tass has claimed that the U.S. Central Intelligence Agency is providing funds, ostensibly raised by the *AFL-CIO union federation, to* buy printing and duplicating equipment which is smuggled into Poland for use by the independent union Solidarity.

A succession of similar allegations of secret hanky-panky with trade unionists on either side of the Iron Curtain has surprised no-one in an uncertain world of decaying detente. Mr. Chapman Pincher, the self-appointed spy-watcher *par excellence*, claims that some left-wing union leaders and officials follow instructions from Moscow to try to reduce British living standards so that those prevailing in the Soviet Union will not seem so harsh.

But because assertions are generally offered more freely than evidence, because so much can be put down to propaganda, and because independent witnesses are rare in the strife-torn world of international trade unionism, few have even begun to ask the important question: how far are the allegations true?

Attention in the West has tended to focus on big power involvement with Third World union politics. The charity War on Want stirred up controversy in Britain in 1978 by publishing *Where Were You, Brother?*,* a book by Don Thomson and Rodney Larson which alleged that links between the Trades Union Congress's international department and the Foreign Office were unhealthily close, and that Western trade unionists' money was being used against the interests of genuine Third World workers' movements, instead favouring the political and commercial aims of Western governments and business.

It drew together the many allegations of CIA "covert activities," citing evidence from Senate reports and from, among others, former CIA agents Philip Agee and Joseph Smith. The book also detailed some of the activities of the Prague-based World Federation of Trade Unions, the Communist world's union international. But Mr. Thomson, although he says the WFTU is "completely run" by the KGB, the Soviet intelligence service, has described the WFTU as "more of a shambles than any real and significant force."

However, there are those who feel that direct East-West intelligence in the trade union field has become a boom industry as Western involvement in Eastern European economies has grown and the Eastern bloc has tried to penetrate Western markets.

Dr. G. K. Busch, former international research head of the U.S.'s United Auto Workers (UAW) and former assistant to the general secretary of the Geneva-based International Chemical, Energy and General Workers' Federation (ICF), claimed in a report published last year by the London-based Economist Intelligence Unit† that Russian, Czechoslovak, and Polish intelligence organisations had made a "substantial effort" to expand contacts among Western unionists. This had become the main espionage field after military intelligence, he said.

It provoked counter-intelligence efforts in which "British, American, French and German trade unionists "are routinely observed by their security forces interested in whom they meet and where they travel." These were supplemented by "positive intelligence efforts towards supporting and sustaining Eastern European dissident labour activities."

Mutual trade union penetration, Dr. Busch claimed, was aimed not only at providing information on products, markets and industrial relations problems which could be exploited, but also at establishing "sleepers" who in a war could try to disrupt production, energy supplies, and transport and communications links.

ANTHONY BLUNT
A shift in emphasis

The independent credentials of Dr. Busch's two former employers (he subsequently became a London consultant) are good. The Auto Workers split from the AFL-CIO in 1968 after a flood of accusations that the latter had been a conduit for CIA funds.

The ICF fought a long jurisdictional war with the now defunct, Denver-based International Federation of Petroleum and Chemical Workers, which was repeatedly alleged to be a CIA creation. The ICF has also shown hostility to the Eastern bloc: its general secretary, the Canadian Mr. Charles Levinson, is the author of the book *Vodka-Cola* which criticises the transfer of Western production to the East to take advantage of low wages and a shackled workforce.

Dr. Busch cites as evidence of subversion by the Eastern bloc: the conviction in 1976 of Hans Faltermeter of the West German Public Service Union for supplying union secrets to East Germany, and the subsequent implication of "other officials of the DGB (union federation) the revelation in 1978 that Vladimir Bukrayev who headed the publications department of the UN's International Labor Office in Geneva, was a KGB agent; the subsequent exposure of Bukrayev's ILO colleague Grigori Miagkov; the accusations in 1979 by the defector Arkady Shevchenko against Soviet personnel at the UN; and a claim that Josef Frolik, the Czechoslovak defector, spent years in the UK spying mainly on trade union affairs.

Mr. Boris Averyanov, head of the International Affairs Department of the Soviet All-Union Central Council of Trade Unions and a regular visitor to Britain's TUC conferences, is described as a "colonel in the KGB."

Dr. Busch describes this catalogue as "sketchy"; but he offers no evidence at all of Western activities. Assuming their existence, he describes reasons for them: apart from the political advantage of promoting dissidence, Western Governments "see economic advantage in side-stepping Eastern European dumping of products."

True or not, Western Governments have probably felt a temptation to nurture the industrial unrest, which the Eastern bloc's Soviet masters fear so much, and which has played a part in successive cracks in the Communist monolith from the East German workers' revolt in 1953 onwards.

These have reached a peak with the powerful alliance between intellectual dissidents and workers in the Polish crisis. Consistently Moscow has sought to compromise Solidarity's independence and split the workers from the dissidents, by lining it up with familiar Cold War enemies.

What Tass did not say was that even if the allegations are true, the activities would be very little different from those of Eastern Europe in support of the Portuguese Communist union federation CGTP-Intersindical, which has received money, printing supplies, propaganda specialists and organisers from comradely Eastern bloc unions practically indistinguishable from their governments.

But alongside any temptation for Western governments to interfere discreetly, there are dangers. Solidarity has been taking its first, tentative steps in the murky waters of trade union internationalism. In the latter's long history what has survived, in Dr. Busch's words, is "the Cold War battle for advantage." If Solidarity were now caught making the wrong sort of friends, the Russians would score a propaganda victory.

In the wider arena it is in practice impossible to establish the real extent of trade union subversion and counter-subversion. But a heightening of the propaganda war tends to strengthen the hands of those who argue for more of the real thing, and new battles would only further weaken the spirit of trade union internationalism, long a victim of the Cold War.

The International Labour Organisation, a somewhat fragile forum for co-operation, suffered a major blow in 1977 when the U.S. pulled out in protest at the ILO's "politicisation" and ineffective record on human rights. The Americans rejoined last year, but received an immediate slap in the face in the form of a resolution condemning Israeli settlements on the West Bank.

Now the ILO, in a further blow to its credibility, has had to give up investigating charges that the Soviet Union contravened its Convention 87 by suppressing free trade unions. Soviet refusal to co-operate made the inquiry pointless.

* *War on Want, 467 Caledonian Road, London N7 9BE: £1.20*
† *Special Report No. 75: EIU, 27 St. James's Place, London SW1A 1NT: £3.*

Energy Review

By David Fishlock, Science Editor

The U.S. nuclear power battle

A RECENT visitor to the offices of the Nuclear Regulatory Commission, the U.S. Government's nuclear inspectors, was told how its staff were being "hijacked" from their normal jobs. Dr. Harold Denton, public hero of the reactor accident on Three Mile Island in 1979, was busy recruiting a special task force for a top-priority operation. No-one knew how long the recruits would be away—many months, perhaps years—so those left behind were displaying the yellow ribbons Washington once tied to its trees pending the return of the American hostages.

Dr. Denton is director of the NRC's office of nuclear reactor regulation, roughly equivalent to Britain's chief nuclear inspector. His current mission has nothing to do with the stricken reactor itself, although the accident certainly gave rise to his problem, by reflecting a lot of the NRC's efforts into accident-related activities.

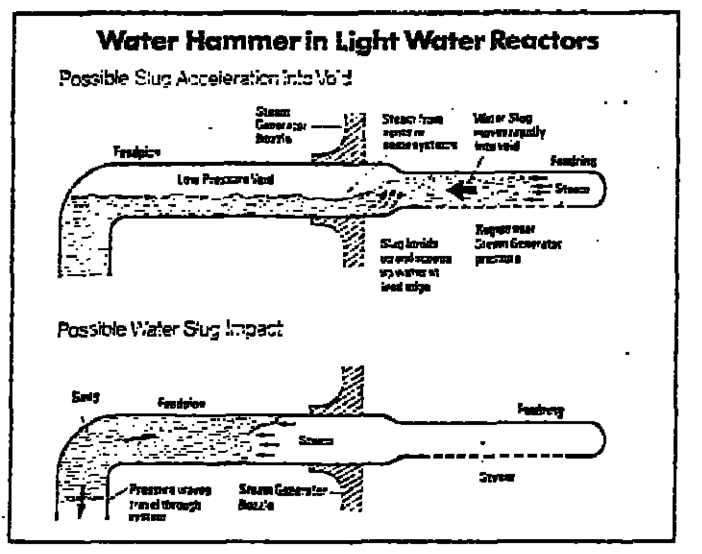
Dr. Denton's task is to get the 12 or so new U.S. nuclear power stations expected to be completed over the next year licensed and producing power as quickly as possible. The new Administration—still massively importing oil, even though nuclear energy generated more electricity than oil (11 per cent, as against 10.8 per cent) in the U.S. last year—wants them on-line with as little delay as possible.

But a nationwide cadre of critics of nuclear power is still prepared to fight Dr. Denton every inch of the way, at public hearings which review the plants' safety precautions. Ironically, they are regular customers of the NRC, for copies of close on 1m. documents the agency makes available from its 150-odd public document rooms in Washington and near nuclear plants across the country. Every day the NRC adds an average 365 documents to the pile, each one potential ammunition for those determined to hamper the progress of nuclear energy in the U.S. More than 1.8m pages of these documents were bought by the public last year.

For a year after the accident on Three Mile Island the NRC halted all licensing of power reactors, until the reports of the various public and private inquiries were substantially complete. Last year the agency issued low-power licences for four new stations, and later uprated two of them to full power. Now its nuclear inspectors are faced with a deluge of a dozen new plants nearing completion.

"It's my first priority," says Dr. Joseph Hendrie, chairman of the NRC. Dr. Hendrie, chairman at the time of the accident but sacked by President Carter as a token public sacrifice soon after, returned to the top seat last month at the request of the Reagan Administration. As a reactor engineer, he is technically the most expert of all the commissioners. But he acknowledges that his former chairman, Mr. John Ahearne—now demoted to a commissioner, as he was himself in 1979—had spelled out late last year just how slow the licensing process, with all its opportunities for intervention by opponents, had become in the U.S.

Dr. Joseph Hendrie, chairman of the U.S. Nuclear Regulatory Commission; the water hammer report is due next year



One industry estimate, advanced by Mr. George Gleason, founder and executive vice-president of the American Nuclear Energy Council, a Washington lobby for nuclear energy, puts a figure of \$2-\$3bn as the likely cost to the U.S. electricity consumer of delays in licensing the dozen plants. That is his estimate of the cost of generating power from alternative fuels—oil or coal, mainly — while the newly-finished nuclear plants remain idle, plus the cost of maintaining the idle nuclear plants in peak condition.

Dr. Hendrie divides the dozen plants into two groups of six. One group is already moving through the protracted U.S. licensing process. At public hearings they are being questioned particularly about modifications called for by the nuclear inspectors in light of the accident on Three Mile Island. He believes that these six will be delayed by up to three months apiece. For the operating company this can mean an extra cost of between \$0.5-2m a day, depending on size and location, while its plant is not working.

The second group faces longer delays after completion: from six to 12 months or more, according to Dr. Hendrie. "At \$1m a day one has the feeling one ought to do something," he remarks wryly.

The "recovery plan"—for the recovery of the NRC's reputation as brisk and efficient licensers of new plant—has centred on doubling Dr. Denton's corps of nuclear inspectors. His primary aim is to ensure that no public hearing is ever delayed for lack of an expert NRC witness to speak up for a plant.

His chairman believes that the NRC also achieved something of a break-through last autumn when its five commissioners endorsed a scheme to license power plants initially at low power, about 5 per cent of full rating. The owner cannot make electricity at this power level but he can test a lot of the plant and "just about roll the turbine." Dr. Hendrie reckons it can recover at least two, perhaps three months of the delay. He would like to see the low-power level raised to 15 per cent of full rating, but one of his fellow commissioners has balked at this.

Beyond the delayed dozen looms a still bigger problem. "The question is whether the system is working in a way that will prevent future delays. And the answer is No," says Dr. Denton.

For the moment a major obstacle to the reform of the U.S. regulatory system is the composition of the five-man commission itself. It became clear in the aftermath of the accident on Three Mile Island that only one of the five commissioners—the chairman himself—had any real experience of nuclear reactor technology. Two years later, one commissioner's seat is unfilled. The remaining four divide into two pairs: Mr. Ahearne and Dr. Hendrie, who accept the Reagan Administration line about the necessity of making the best use of nuclear energy; and Mr. Victor Gilinsky and Professor Peter Bradford, whose priorities are more akin to those of the Carter Administration, namely that nuclear energy is the source of last resort, to be approached as cautiously as possible.

Over the next few months the commissioners can be expected to change radically, says Dr. Hendrie. He himself expects to remain only until this July, when President Reagan will appoint a new chairman.

As for the 3,300-man agency itself, a major reorganisation of Dr. Denton's division began a year ago, in preparation for the increased volume of new licensing work and to take account of the lessons of Three Mile Island. A major innovation was the creation of a division of human factors safety, devoted to people-related aspects of safety and the benefits and hazards of having people involved in nuclear plant operations. A recurring point made in the various reports on Three Mile Island was how inadequately the human factor—the man-machine relationship—had been considered in the design, operation and regulation of U.S. nuclear power plants.

The NRC's own "TMI action plan" now requires all U.S. nuclear station licencees and applicants for an operating licence to audit their own designs of control room and report to the NRC. To examine these self-audits, the NRC has formed its own teams of engineers and human factors specialists.

Should anyone remain unaware of the fact, the latest annual report of the NRC, released this month, observes that Dr. Denton's office of nuclear reactor regulation was "profoundly affected" by the TMI accident and its aftermath.* Nevertheless, it continued to study what even before the accident was known as "unresolved safety issues" in light water reactors.

Water hammer is one example it reports upon this year. As illustrated in the accompanying sketches, water hammer is the knocking one may hear when a water tap is turned off top quickly, usually because of faulty design. In a very big hydraulic system such as a light water reactor, intense pressure pulses can be generated when, for example, a steam-propelled slug of water bursts into low-pressure void in the system, or drives the water against a bend in the pipework. The shock can reverberate throughout the system.

The NRC reports that in the past few years over 200 incidents involving water hammer have been reported by U.S. nuclear reactor operators. None has caused a leakage of radio-activity. But the risk remains that the primary circuit or an emergency core cooling circuit could be fractured in this way. The NRC plans to publish its findings and final recommendations for living safely with water hammer in the summer of 1982.

What the NRC lacks at present—in fact, in its budgets for 1982 and 1983 — are any funds for safety-related studies on the fast breeder type of reactor. Under President Carter, development work on this plutonium-fuelled reactor was forbidden. But the new Administration plans to restart development of commercial fast breeder reactors, and specifically of the Clinch River prototype in Tennessee.

If the NRC is ever to licence, the operation of this 380 MW powerplant, in which liquid sodium circulates through loops of pipe much like water in a light water reactor, it must first master the technology itself, says Dr. Hendrie.

In fact, he estimates that his nuclear inspectors will need about 30 months from the restart of the licensing process before they grant even a construction licence for Clinch River as a commercial powerplant. This suggests that, come the next U.S. election year, there will still be little to show for the Reagan Administrations enthusiasm for Clinch River.

*U.S. Nuclear Regulatory Commission. 1980 Annual Report. Division of Technical Information and Document Control, Washington D.C. 20555.

APPOINTMENTS

Bridport-Gundry reorganisation

Following the resignation of Mr. Michael Smith from the posts of director and group managing director BRIDPORT-GUNDRY (HOLDINGS) has made the following appointments: Mr. Pat Darley as deputy chairman with executive responsibilities at Bridport and Taunton. He will also continue to act as managing director of James Pearsall and Co. Mr. Anthony Sanctuary as director of administration at Bridport, with special responsibilities for pensions, insurance and legal matters relating to the group. Mr. John Hayward, who was due to retire as a non-executive director shortly, has agreed to continue to serve in that capacity. Mr. Desmond Norman, who has assisted the company's aviation interests for some years, has agreed to join the board. Mr. Howard Losea and Mr. Peter Cox continue with their respective executive responsibilities at Moodus and Crewkerne. Mr. John Gundry will be responsible to the deputy chairman for B.G. Marine and its associated operations.

★

Mr. David A. Watts, group marketing executive of the Richardsons Westgarth Group, has been appointed to the Board of the Group subsidiary company HUMBER GRAVING DOCK AND ENGINEERING COMPANY, Immingham.

★

Mr. J. H. B. Ketteley has been appointed a non-executive director of HARTLEY COOPER HOLDINGS.

★

Mr. Ivor L. Gwynn, at present group chief executive of P. I. CASTINGS GROUP, is to retire on May 1. He will continue as a director of the Group and also as non-executive director of Holden and Brooke, Manchester. He is looking forward to taking up a consultative role in the foundry industry.

★

Mr. Gordon F. Miles, head of catalogue production, and Mr. Colin J. Stanhope, merchandise director, have been appointed executive directors of the LITTLEWOODS ORGANISATION.

★

Mr. Jack Blunt, general manager of mines rescue services, has retired and the NATIONAL COAL BOARD has appointed Mr. Peter Hallam as his successor.

★

Mr. David Penny, managing director of the Yarrow Group, has been elected President of the INSTITUTE OF MECHANICAL ENGINEERS. He succeeds Mr. Bryan Hildrew, who has retired.

★

HALMA has reorganised its management structure, creating four operating divisions, each controlled by a divisional chief executive, resulting in the following appointments:

Mr. Michael P. Learoyd becomes divisional chief executive of the safety, access and control division and is appointed chairman of Castell Safety International. Mr. Peter G. Wells becomes divisional chief executive of the security, acoustics and display division and is appointed chairman of the Power Equipment Company, and Volumatic. Mr. Clive Q. Summerhayes becomes divisional chief executive of the fire and environmental control and of the machinery and services divisions. He is also appointed chairman of Argosy Fenton, Standard and Pochin, and S and P Coil Products. Mr. Malcolm P. Hunt becomes vice-chairman of Standard and Pochin.

★

Mr. Peter Bertram has been appointed to the Board of UNITED DOMINIONS TRUST, part of the TSB Group. He will have particular responsibility for instalment credit sales in the consumer and industrial fields. He is currently on secondment as managing director of wholesale vehicle finance, formed in 1978 to finance stocks of cars for BL distributors.

★

Mr. John Gartside has been appointed a director of the HALIFAX TOOL COMPANY, a member of Marshalls (Halifax) group.

★

Mr. Kenneth Mansell has joined the board of SCAFFOLDING (GREAT BRITAIN) as the director responsible for the day-to-day trading activities of the building equipment division. Mr. Colin Langley, the director who was previously responsible for the building equipment division, has assumed broad new responsibilities for business development.

President of the AGRICULTURAL ENGINEERS ASSOCIATION for 1981-82 is Mr. R. H. Filbey, director and general manager of the agricultural division of J. Mann and Son, Bury St. Edmunds.

★

Mr. Roger P. Downing has joined recently-formed KYLE STEWART MANAGEMENT CONTRACTING as director and general manager.

★

Mr. Peter Annington has been appointed senior executive of GRIFFIN FACTORS, the current asset finance division of Forward Trust Group. He is also a director of the Forward Trust Group joint venture companies, Leverton (FT) Finance and Avis Car Leasing, and also of Midland Montagu Medical Leasing.

★

Mr. Derrick Croxon, managing director of Kimberly-Clark, has been elected president of the BRITISH PAPER AND BOARD INDUSTRY FEDERATION.

★

Mr. Melvyn Hopley has been appointed a non-executive director of HICKSON AND WELCH from May 1. Mr. Hopley retired from the post of deputy chairman of the organics division of ICI at the end of March.

OVERSEAS

MINORCO Bermuda, has made the following appointments: Mr. A. M. Doull—vice-president, finance; Mr. A. W. Lea — vice-president, finance; Mr. J. R. B. Phillimore—vice-president, administration and Mr. D. E. Fisher—secretary and treasurer.

★

Dr. Raymond A. Foos has been elected executive vice-president of BRUSH WELLMAN INC., president of the S. K. Wellman Corpn., a wholly-owned subsidiary, and president of the Beryllium Products Group, a position he currently holds. Dr. Foos had been acting as interim preident of S. K. Wellman since January of this year.

★

Mr. Henry P. Luckett has been elected president of WANDA PETROLEUM COMPANY, a wholly-owned subsidiary of Enterprise Products Company, Houston. Mr. Luckett has been employed by Exxon, most recently on loan to American Arabian Oil Company as senior project manager.

★

Mr. Sang Eun Rhee, director, has become executive vice-president in charge of international banking of BANK OF SEOUL AND TRUST, succeeding Mr. Ki Hwan Koo, director and executive vice-president. Mr. Koo has assumed the new responsibility of loan control and treasury business.

★

Mr. Michael R. Taylor, senior representative for South Asia for CHEMICAL BANK, has become a vice-president. His present territory includes India, Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan and Afganistan.

★

BARCLAYS BANK OF NEW YORK has elected Dr. Albert Bush-Brown chairman of its board of directors. Dr. Bush-Brown, chancellor of Long Island University, has been a director of BBNY since 1979.

★

Mr. John T. Booth has joined the New York office of RUSSELL REYNOLDS ASSOCIATES, INC. as senior vice-president. Mr. Booth was previously chairman of the board of directors of Eastdil Realty, Inc., and an advisory director of Blyth Eastman Paine Webber, Inc.

★

Dr. Lennart Grånäs, deputy managing director of SURAHAMMARS BRUKS AB, Sweden, has been appointed managing director. He succeeds Mr. Hans Westerberg, who died on March 19. Surahammars Bruks AB is part of the ASEA Group.

★

Mr. Lucio Sorré and Mr. Roberto Ferin have become vice-presidents of VILLA BANFI, U.S., a wine importer and vintner. Mr. Sorré is assistant to the firm's chairman and serves as its chief wine taster. Mr. Ferin is in charge of international sales.

CURRENCIES, MONEY and GOLD

$ and £ quiet

The dollar retained its firm undertone in currency markets yesterday, underpinned by a continued firmer trend in U.S. interest rates. The market was very quiet however, lacking any fresh news to stimulate movement.

Sterling was slightly weaker overall, losing ground ahead of any possible change in MLR at 12.30 pm. There was no change, in line with market expectations, and sterling recovered slightly during the afternoon.

European currencies were slightly easier against the dollar but showed very little change within the European Monetary System. The Belgian franc remained above its floor level against the French franc and D-mark but was again placed outside its divergence limit against the ECU. The D-mark was the strongest currency while the French franc weakened slightly but remained in second place.

DOLLAR — Trade weighted index (Bank of England) fell to 102.1 from 102.5. The dollar was slightly firmer at the close but finished below its best level reflecting market disappointment in the latest U.S. Consumer Price Index. Against the D-mark it finished at DM 2.1645, up from Wednesday's close of DM 2.1615 but down from a high of DM 2.1750. Similarly against the Swiss franc, it finished at SwFr 1.9740 from SwFr 1.970. It was weaker against the Japanese yen, however, easing to Y215.0 at the close compared with Y216.90 previously.

STERLING — Trade weighted index (Bank of England) fell to 99.6 from 99.7, having stood at 99.6 at noon and 99.7 in the morning. Sterling opened at $2.1800 against the dollar and traded very quietly until the afternoon when dollar demand saw it fall to a low of $2.1760. It recovered, as the dollar fell back, to touch a best level of $2.1870 and closed at $2.1810-$2.1820, a fall of 75 points from Wednesday. Against the D-mark the pound closed at DM 4.7250 after DM 4.7350 previously and FFr 11.1925 from FFr 11.2075 in terms of the French franc.

D-MARK—One of the strongest members of the European Monetary System, helped by high West German interest rates. The D-mark has suffered against the dollar, however, reflecting high U.S. interest rates, although market tension has eased considerably over the situation in Poland—The D-mark was mostly firmer in Frankfurt yesterday. The dollar eased to DM 2.1708 from DM 2.1749 and the Swiss franc was lower at DM 1.0969, against DM 1.0975. On the other hand, sterling improved at the fixing to DM 4.7330 from DM 4.7240. Within the EMS, the Belgian franc was stronger at DM 6.119 per BFr 100 from DM 6.115, but the French franc eased to DM 42.22 per FFr 100 from DM 42.2.275 and the Danish krone was fractionally lower at DM 31.76 compared with DM 31.78 per DKr 100.

FRENCH FRANC — Second strongest currency within the EMS behind the D-mark. Domestic interest rates have been kept high just recently to combat both a higher trend in rates elsewhere—notably the U.S. and West Germany—and to prevent any speculative run on the French frac ahead of the Presidential elections — The French franc was slightly weaker at yesterday's fixing in Paris. The D-mark rose to FFr 2.3675 from FFr 2.3658 and the Belgian franc improved to FFr 14.4915 per BFr 100 from FFr 14.4770. The Dutch guilder was fixed higher at FFr 2.1327 compared with FFr 2.1304 on Wednesday, while the Danish krone continued to lose ground to FFr 75.170 per DKr 100 from FFr 75.2.

THE POUND SPOT AND FORWARD

April 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1760-2.1870	2.1810-2.1820	0.60-0.70c dis	−3.58	2.10-2.20dis	−3.94
Canada	2.6000-2.6100	2.6045-2.6055	1.00-1.10c dis	−4.84	3.25-3.40dis	−5.11
Nethlnd.	5.24-5.27	5.24 1/2-5.25 1/2	1 1/4-1/4c pm	1.71	2 1/4-1 1/4 pm	1.33
Belgium	77.10-77.55	77.15-77.25	30-40c dis	−5.44	85-100 dis	−4.79
Denmark	14.87-14.92	14.87 1/2-14.88 1/2	1 1/2-3 1/4ore dis	−1.92	8 3/4-10 3/4 dis	−2.60
Ireland	1.2935-1.3005	1.2960-1.2975	0.28-0.42p dis	−3.29	0.97-1.12dis	−3.22
W. Ger.	4.71 1/2-4.74 1/2	4.72-4.73	1/4pf pm-1/4 dis	0.32	1/4 pm-1/4 dis	−0.11
Portugal	127.00-127.50	127.25-127.45	10c pm-65 dis	−2.59	15-190 dis	−3.22
Spain	191.80-192.30	192.00-192.20	70-115c dis	−5.78	240-285 dis	−5.47
Italy	2,357-2,363	2,357 1/2-2,358 1/2	11 1/4-13 1/4 lire dis	−6.23	40 1/2-43 1/2 dis	−7.12
Norway	11.93-11.97	11.93-11.94	1 3/4-1/4ore pm	1.01	2 3/4-7/8 pm	0.59
France	11.18-11.22	11.18 3/4-11.19 3/4	1/2-1 1/2c dis	−0.87	3 1/4-4 1/4 dis	−1.34
Sweden	10.25-10.29	10.25-10.26	2-3ore dis	−2.93	8 1/2-9 1/2 dis	−3.51
Japan	466-473	468 1/2-469 1/2	2.30-2.00y pm	5.50	5.75-5.45 pm	4.78
Austria	33.40-33.55	33.40-33.45	4gro pm-1 dis	0.54	7 pm-3 dis	0.24
Switz.	4.30-4.33	4.30 3/4-4.31 3/4	1 1/2-1/2c pm	2.43	3-2 1/2 pm	2.55

Belgian rate is for convertible francs. Financial franc 79.30-79.40. Six-month forward dollar 4.10-4.20c dis, 12-month 6.60-6.80c dis.

THE DOLLAR SPOT AND FORWARD

April 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1760-2.1870	2.1810-2.1820	0.60-0.70c dis	−3.58	2.10-2.20dis	−3.94
Ireland†	1.6785-1.6850	1.6830-1.6850	par-0.10c	−0.38	0.25-0.35dis	−0.71
Canada	1.1930-1.1958	1.1930-1.1935	0.23-0.28c dis	−2.56	0.35-0.40dis	−1.25
Nethlnd.	2.4060-2.4140	2.4130-2.4140	1.20-1.10c pm	5.73	3.42-3.32 pm	5.59
Belgium	35.35-35.55	35.37-35.39	2-5c dis	−1.18	5-10 dis	−0.85
Denmark	6.8315-6.8460	6.8440-6.8455	1.50-1.00ore pm	2.19	3.00-2.50 pm	1.61
W. Ger.	2.1620-2.1750	2.1640-2.1650	0.73-0.67pf pm	3.88	2.10-2.04 pm	3.83
Portugal	58.30-58.55	58.30-58.45	20c pm-10 dis	1.03	50 pm-25 dis	0.85
Spain	87.75-88.15	87.75-87.80	5-15c dis	−1.36	15-35 dis	−1.13
Italy	1,079-1,083	1,079-1,081	2.10-2.60 lire dis	−2.61	8-9 dis	−3.14
Norway	5.4800-5.4875	5.4825-5.4835	2.20-1.70ore pm	4.27	6.60-6.10 pm	4.63
France	5.1250-5.1420	5.1250-5.1300	1.40-1.30c pm	3.15	3.60-3.40 pm	2.72
Sweden	4.7025-4.7180	4.7025-4.7050	0.20-0.05ore pm	0.32	0.25-0.10 pm	0.15
Japan	214.50-216.00	214.95-215.05	1.75-1.60y pm	9.35	4.75-4.60 pm	8.70
Austria	15.33-15.37 1/2	15.33-15.33 3/4	6.00-4.70gro pm	4.18	18.00-14.50pm	4.23
Switz.	1.9710-1.9820	1.9735-1.9745	1.18-1.08c pm	6.87	3.46-3.36 pm	6.91

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

April 23	Bank of England Index	Morgan Guaranty Changes%
Sterling	99.6	−26.6
U.S. dollar	102.1	−2.6
Canadian dollar	86.1	−17.7
Austrian schilling	115.5	+22.3
Belgian franc	108.0	+9.6
Danish kroner	88.8	−10.9
Deutsche mark	120.6	+40.3
Swiss franc	134.3	+75.5
Guilder	111.6	+15.0
French franc	85.9	−10.0
Lira	59.1	−55.2
Yen	143.5	+38.7

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 22	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.555212	0.537390
U.S. $	13	1.20581	1.16829
Canadian $	17.16	1.43889	1.39435
Austria Sch.	6 3/4	18.5526	17.9507
Belgium F.	15	42.8907	41.4595
Danish K.	11	8.25678	7.99224
D mark	7 1/2	2.62253	2.55693
Guilder	9	2.91324	2.81615
French Fr.	9 1/2	6.20450	6.00440
Lira	19	1306.80	1265.55
Yen	6 1/4	262.806	254.102
Norwgn. Kr.	9	6.61447	6.40513
Spanish Pta.	8	106.344	103.043
Swedish Kr.	12	5.69058	5.50905
Swiss Fr.	4	2.38955	2.31052
Greek Dr'ch.	20 1/2	—	61.9191

OTHER CURRENCIES

April 23	£	$		£ Note Rates
Argentina Peso	6743-6763	3086-3095	Austria	33.30-33.70
Australia Dollar	1.8905-1.9045	0.8665-0.8669	Belgium	79.20-80.00
Brazil Cruzeiro	173.55-173.95	79.46-79.86	Denmark	14.83-14.98
Finland Markka	9.0717-9.0909	4.1595-4.1605	France	11.15-11.25
Greek Drachma	115.154-116.028	52.75-52.90	Germany	4.72 1/2-4.77
Hong Kong Dollar	11.7628-11.7220	5.3625-5.3675	Italy	2325-2385
Iran Rial	165.00*	76.60*	Japan	469-475
Kuwait Dinar(KD)	0.598-0.604	0.27545-0.27565	Netherlands	5.23 1/2-5.28 1/2
Luxembourg Frc.	77.15-77.25	35.37-35.39	Norway	11.94-12.06
Malaysia Dollar	5.0735-5.0355	2.3240-2.3270	Portugal	125-129
New Zealand Dlr.	2.4130-2.4180	1.1055-1.1068	Spain	187-198 1/2
Saudi Arab. Riyal	7.30-7.36	3.3590-3.3610	Sweden	10.26-10.36
Singapore Dollar	4.6180-4.6300	2.1160-2.1190	Switzerland	4.30-4.34
Sth African Rand	1.7705-1.7735	0.8117-0.8130	United States	2.17 1/2-2.19 1/2
U.A.E. Dirham	7.98-8.04	3.6720-3.6740	Yugoslavia	79-82

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.4833	+1.68	+1.59	±1.5361
Danish Krone	7.91917	7.99434	+0.95	+0.86	±1.6413
German D-Mark	2.54502	2.53789	−0.28	−0.37	±1.1386
French Franc	5.99526	6.00906	+0.23	+0.14	±1.3638
Dutch Guilder	2.81318	2.81811	+0.18	+0.09	±1.5159
Irish Punt	0.685145	0.695116	+1.46	+1.37	±1.6688
Italian Lira	1262.92	1265.43	+0.20	+0.20	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 23	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.182	4.725	469.0	11.19	4.313	5.250	2358.	2.605	77.20
U.S. Dollar	0.458	1.	2.165	215.0	5.131	1.977	2.407	1081.	1.194	35.36
Deutschemark	0.212	0.462	1.	99.26	2.369	0.913	1.111	499.0	0.551	16.34
Japanese Yen 1,000	2.132	4.651	10.07	1000.	23.86	9.195	11.19	5028.	5.554	164.6
French Franc 10	0.893	1.949	4.222	419.0	10.	3.853	4.691	2107.	2.327	68.97
Swiss Franc	0.232	0.506	1.096	108.8	2.595	1.	1.217	546.8	0.604	17.90
Dutch Guilder	0.190	0.416	0.900	89.33	2.132	0.821	1.	449.1	0.496	14.70
Italian Lira 1,000	0.424	0.925	2.004	198.9	4.747	1.829	2.226	1000.	1.105	32.74
Canadian Dollar	0.384	0.837	1.814	180.0	4.297	1.655	2.015	904.3	1.	29.64
Belgian Franc 100	1.295	2.826	6.120	607.5	14.50	5.586	6.801	3054.	3.374	100.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 23)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 1/4	offer 16 3/8	bid 16 1/4	offer 16 3/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

April 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12 1/8-12 3/8	15 1/2-15 3/4	16 1/4-17 1/4	9 7/8-10	5 3/4-6 1/4	9-9 1/2	12 1/4-12 3/8	17-18 1/2	16-17	4 3/4-5 1/4
7 days' notice	12 1/8-12 3/8	15 5/8-15 7/8	16 1/4-17 1/4	9 7/8-10 1/8	15 1/2-16	11-11 1/8	12 1/4-12 3/8	18-19 1/2	16-18	5-5 1/8
Month	12 [illegible]	15 3/4-16	17-17 3/8	10 1/16-10 3/16	9 1/16-9 3/16	12 1/16-12 3/16	13-13 1/8	18 1/4-19 1/4	16 1/2-18	6 3/8-6 5/8
Three months	12 [illegible]	16 1/8-16 3/8	17 1/8-17 1/2	10 1/16-10 3/16	9 1/4-9 3/8	12 1/4-12 3/8	15 1/4-15 3/8	19-20	16 1/2-17 1/2	7 1/4-7 1/2
Six months	12 [illegible]	16 1/8-16 3/8	16 5/8-17	10 5/8-10 3/4	9 1/4-9 3/8	12 1/4-12 3/8	13 5/8-13 3/4	19 1/4-20 1/4	16 1/2-17	7 3/8-7 5/8
One Year	12 [illegible]	15 1/2-15 3/4	16-16 3/4	10 3/4-11	8 1/8-8 5/8	11 11/16-11 13/16	13 5/8-13 3/4	19-20	15 1/2-16	7 3/4-8

SDR linked deposits: one-month 13-13 3/8 per cent; three-months 13 1/4-13 5/8 per cent; six-months 13 1/4-13 5/8 per cent; one-year 13-13 3/8 per cent.

ECU linked deposits: one-month 12 15/16-13 5/16 per cent; three-months 13 3/16-13 9/16 per cent; six-months 13 1/8-13 1/2 per cent; one-year 12 7/8-13 1/4 per cent.

Asian $ (closing rates in Singapore): one-month 16-16 1/8 per cent; three-months 16 1/4-16 3/8 per cent; six-months 16 1/4-16 3/8 per cent; one-year 15 3/4-15 7/8 per cent.

Long-term Eurodollar two-years 15 1/4-15 1/2 per cent; three-years 15 1/4-15 1/2 per cent; four-years 15 1/4-15 1/2 per cent; five-years 15 1/4-15 1/2 per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.45-15.55 per cent; three-months 15.65-15.75 per cent; six-months 15.65-15.75 per cent; one-year 15.25-15.35 per cent.

INTERNATIONAL MONEY MARKET

European rate moves

Short term interest rates in Switzerland reflected the upward trend in international rates yesterday, with four major banks raising time deposit rates to 8 per cent from 7 1/2 per cent for periods from three to 11 months.

In Amsterdam money market rates eased slightly amid expectations that the expected shortage of market funds will be easily financed through the Dutch National Bank normal quota facility. The estimated deficit of about Fl. 2bn yesterday was expected, in view of payment for the Government's latest bond issue, but by the middle of this week the banks' had used only 40 per cent of their official quota, with about 65 per cent of the quota period expired.

In Paris the Bank of France announced an auction of FFr 2.8bn of 12-month Treasury bills on April 27.

In Frankfurt the Bundesbank decided to leave open the special Lombard facility at an unchanged 12 per cent, and there were no changes in monetary policy following the central bank council meeting. Call money fell to 10.50-10.75 per cent from 10.80-11.00 per cent.

In Brussels the Belgian Association of Banks decided not to lower rates on short-term bank loans, despite the recent cut of 1 per cent in the central bank discount rate.

UK MONEY MARKET

Small help

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

Money was expected to be in moderate surplus in the London money market yesterday, but conditions were rather confused because of the industrial action by civil servants, and in the event the authorities gave assistance on a small scale.

The Bank of England bought a small amount of Treasury bills, local authority bills, and eligible bank bills from the discount houses, and the market finished fairly comfortable, despite an upward trend in overnight money at the close.

Banks brought forward moderate surplus balances, and there was a small excess of Government disbursements over revenue payments to the Exchequer. On the other hand the market was faced with a moderate number of maturing bank bills in official bands.

Discount houses paid 11 1/4-11 5/8 per cent for secured call loans at the start, with closing balances found at 9-10 per cent. In the interbank market overnight loans fell to 8 per cent but finished at 11 per cent.

GOLD

Weaker tendency

Gold fell back in the London bullion market yesterday after Wednesday's sharp rise, to close at $490-493, a fall of $9 an ounce. The metal opened at the same level and was fixed at $490.50 during the morning and $488.50 in the afternoon. Trading was very quiet for most of the day with profit-taking accounting for some of the fall.

In Paris the 12 1/2 kilo bar was fixed at FFr 86,000 per kilo ($524.13 per ounce) in the afternoon compared with FFr 86,000 ($524.30) in the morning and FFr 86,300 ($524.68) on Wednesday afternoon.

In Frankfurt the 12 1/2 kilo bar was fixed at DM 34,345 per kilo ($492.00 per ounce) against DM 34,825 ($497.00) and closed at $487-490 compared with $500-503 per ounce on Wednesday.

In Zurich gold finished at $487-490 against $500-503 previously.

	April 23		April 22	
Gold Bullion (fine ounce)				
Close	$490-493	(£224 1/4-225 3/4)	$499-502	(£228 1/2-229 3/4)
Opening	$490-493	(£222 1/2-225)	$492-495	(£226 3/4-228)
Morning fixing	$490.50	(£224.775)	$497.00	(£228.790)
Afternoon fixing	$488.50	(£223.980)	$501.00	(£229.817)
Gold Coins				
Krugerrand	$505-506	(£231 1/4-231 3/4)	$514-515	(£235-235 1/2)
1/2 Krugerrand	$261-262	(£119 1/2-120)	$265 1/2-266 1/2	(£121 1/2-121 3/4)
1/4 Krugerrand	$133-134	(£61-61 1/2)	$135 1/2-136 1/2	(£62-62 1/2)
1/10 Krugerrand	$54 1/2-55 1/2	(£25-25 1/2)	$55 1/2-56 1/2	(£25 3/8-25 3/4)
Mapleleaf	$501-502	(£229 1/2-230)	$510-511	(£233 1/4-233 3/4)
New Sovereigns	$122 3/4-123 1/4	(£56-56 1/2)	$124 1/2-125 1/2	(£57-57 1/2)
King Sovereigns	$139-141	(£63 1/2-64 1/2)	$141-143	(£64 1/2-65 1/2)
Victoria Sovs.	$139-141	(£63 1/2-64 1/2)	$141-143	(£64 1/2-65 1/2)
French 20s	$179-182	(£81 1/2-83)	$179-182	(£81 7/8-83 1/4)
50 pesos Mexico	$606-611	(£277 1/2-280)	$609-613	(£278 1/2-280 3/8)
100 Cor. Austria	$473-478	(£217 1/2-220)	$475-480	(£217 1/4-219 1/2)
$20 Eagles	$591-596	(£271-273 1/2)	$595-600	(£272-274 1/2)

MONEY RATES

NEW YORK

Prime Rate	17 1/2
Fed. Fund	15 3/4-16
Treasury Bills (13-week)	13.49
Treasury Bills (26-week)	13.55

GERMANY

Special Lombard	12.00
Overnight Rate	10.625
One month	12.40
Three months	13.10
Six months	12.95

FRANCE

Intervention Rate	12.5
Overnight Rate	12.25
One month	12.8125
Three months	13.0
Six months	13.0

JAPAN

Discount Rate	6.25
Call (Unconditional)	7.0625
Bill Discount (three-month)	—

LONDON MONEY RATES

April 23 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8-12 3/8	12	—	—	11 1/2	9-11 5/8	—	—	—
2 days notice	—	—	12 1/4	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12 1/8-12 3/8	12 1/2	—	12 5/8	12 5/8	11 7/8-12	—	—	—
One month	12 3/8-12 1/4	12 1/4-12 7/16	12 1/4	13 5/8-13	12 5/8	12 3/4	11 3/4-11 7/8	11 13/16-11 7/8	11 13/16-11 3/4	12 3/4
Two months	12 3/8-12 1/4	12 1/4-12 7/16	—	13 1/8-12 3/4	12 3/4	12 3/4	11 3/4	11 3/4	11 13/16	12 1/2
Three months	12 3/8-12 5/16	12 5/16-12 7/16	12 1/4	12 7/8-12 1/2	12 5/8	12 3/4	11 5/8	11 11/16	11 13/16	12 1/4
Six months	12 5/16-12 3/16	12 1/4-12 7/16	12-12 1/4	12 3/4-12 3/8	12 11/16	12 3/4	—	—	11 13/16-11 3/4	11 3/4
Nine months	12 1/8-12	12 1/8-12 1/4	—	12 5/8-12 3/8	12 5/8	12 5/8	—	—	—	—
One year	12 1/8-11 15/16	12 1/8-12 1/4	12 1/4-12 3/8	12 3/8-12 1/8	12 1/2	12 5/8	—	—	—	—
Two years	—	—	12 5/8-12 11/16	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 12 3/4-12 7/8 per cent; four years 13-13 1/8 per cent; five years 13 1/4 per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11 7/16 per cent; four-month trade bills 12 1/4 per cent.

Approximate selling rate for one-month Treasury bills 11 5/16-11 1/4 per cent; two-months 11 1/4-11 3/16 per cent; three-months 11 1/8 per cent. Approximate selling rate for one-month bank bills 11 23/32-11 11/16 per cent; two-months 11 17/32 per cent; three-months 11 23/32 per cent; one-month trade bills 12 1/2 per cent; two-months 12 1/4 per cent and three-months 12 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.2883 per cent.

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, April 22, 1981. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	44.50
Albania	Lek	4.848
Algeria	Dinar	4.1875
Andorra	Fr. Franc	5.145
	Sp. Peseta	88.22
Angola	Kwanza	27.627
Antigua	E. Caribbean $	2.7025
Argentina	Peso	3072.00
Australia	Dollar	0.8686
Austria	Schilling	15.38
Azores	Port. Escudo	58.50
Bahamas	Dollar	1.00
Bahrain	Dinar	0.3769
Balearic Is.	Sp. Peseta	88.22
Bangladesh	Taka	13.8831
Barbados	Dollar	2.01
Belgium	Franc (C)	35.58
	Franc (F)	36.60
Belize	Dollar	2.00
Benin	C.F.A. Franc	257.25
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	8.28
Bolivia	Peso	24.51
Botswana	Pula	0.7823
Brazil	Cruzeiro	79.66
Brunei	Dollar	2.122
Bulgaria	Lev	0.90
Burma	Kyat	6.6445
Burundi	Franc	90.00
Cameroun Rp.	C.F.A. Franc	257.25
Canada	Dollar	1.1945
Canary Is.	Sp. Peseta	88.22
Cape Verde	Escudo	36.51
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	257.25
Chad	C.F.A. Franc	257.25
Chile	Peso (O)	39.00
China	Renminbi Yuan	1.6756
Colombia	Peso (O)	52.54
Comoros	C.F.A. Franc	257.25
Congo P'ple.Rep.of	C.F.A. Franc	257.25
Costa Rica	Colon (O)	8.60
Cuba	Peso	0.7513
Cyprus	Pound*	2.4765
Czechoslovakia	Koruna (O)	5.60
DemRep.SaoTome & Principe	Dobra	37.5255
Denmark	Krone	6.845
Djibouti Rp. of	Franc	178.15
Dominica	E. Caribbean $	2.7025
Domin. Rep.	Peso	1.00
Ecuador	Sucre	25.00
Egypt	Pound*	1.4493
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	176.44
Ethiopia	Birr (O)	2.0364
Faeroe Is.	Dan. Krone	6.845
Falkland Is.	Pound*	2.173
Fiji	Dollar	0.8351
Finland	Markka	4.162
France	Franc	5.145
Fr. C'ty in Af.	C.F.A. Franc	257.25
Fr. Guiana	Franc	5.145
Fr. Pac. Is.	C.F.P. Franc	82.8348
Gabon	C.F.A. Franc	257.25
Gambia	Dalasi	1.8408
Germany (E)	Ostmark (O)	2.1748
Germany (W)	Mark	2.1748
Ghana	Cedi	2.75
Gibraltar	Pound*	2.173
Greece	Drachma	52.95
Greenland	Dan. Krone	6.845
Grenada	E. Caribbean $	2.7025
Guadaloupe	Franc	5.145
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	36.4859
Guinea Rep.	Syli	20.4702
Guyana	Dollar	2.5265
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	5.369
Hungary	Forint	32.55
Iceland	Krona	6.527
India	Rupee	8.28
Indonesia	Rupiah	629.00
Iran	Rial (O)	75.55
Iraq	Dinar	0.2999
Irish Rep	Punt*	1.6772
Israel	Shekel	9.17
Italy	Lira	1083.00
Ivory Coast	C.F.A. Franc	257.25
Jamaica	Dollar	1.7815
Japan	Yen	217.55
Jordan	Dinar	0.3255
Kampuchea	Riel	n.a.
Kenya	Shilling	8.4169
Kiribati	Aust. Dollar	0.8686
Korea (Nth)	Won	0.94
Korea (Sth)	Won	678.20
Kuwait	Dinar	0.2756
Lao P'pls D. Rep	Kip	10.00
Lebanon	Pound	4.0325
Lesotho	Loti	0.8133
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	1.981
Luxembourg	Lux Franc	35.58
Macao	Pataca	5.5873
Madagascar D. R.	Franc	257.25
Madeira	Port. Escudo	58.50
Malawi	Kwacha	0.877
Malaysia	Ringgit	2.337
Maldive Is.	Rupee	3.93
Mali Rp	Franc	514.50
Malta	Pound*	2.5523
Martinique	Franc	5.145
Mauritania	Ouguiya	51.45
Mauritius	Rupee	8.2925
Mexico	Peso	23.87
Miquelon	Fr. Franc	5.145
Monaco	Fr. Franc	5.145
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	4.9086
Mozambique	Metica	27.5196
Namibia	S.A. Rand	0.8133
Nauru Is.	Aust. Dollar	0.8686
Nepal	Rupee	12.00
Netherlands	Guilder	2.416
Neth. Ant'les	Guilder	1.80
New Zealand	Dollar	1.1111
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	257.25
Nigeria	Naira (O)	0.5835
Norway	Krone	5.4865
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	9.87
Panama	Balboa	1.00
Papua N.G.	Kina	0.668
Paraguay	Guarani	126.00
P'pls D. Rp. of Yemen	Dinar	0.3415
Peru	Sol	397.59
Philippines	Peso	7.795
Pitcairn Is.	N.Z. Dollar	1.1111
Poland	Zloty (O)	31.00
Portugal	Escudo	58.50
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr.Franc	5.145
Romania	Leu	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.7025
St. Helena	Pound*	2.173
St. Lucia	E. Caribbean $	2.7025
St. Pierre	Fr Franc	5.145
St. Vincent	E. Caribbean $	2.7025
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1083.00
Saudi Arabia	Riyal	3.3587
Senegal	C.F.A. Franc	257.25
Seychelles	Rupee	6.8991
Sierra Leone	Leone	1.1335
Singapore	Dollar	2.122
Solomon Is.	Dollar	0.8715
Somali Rep.	Shilling	6.295
South Africa	Rand	0.8133
Spain	Peseta	88.22
Span. Ports in N. Africa	Sp. Peseta	88.22
Sri Lanka	Rupee	18.0856
Sudan Rep.	Pound* (2)	2.00
Sudan Rep.	Pound* (1)	1.25
Surinam	Guilder	1.785
Swaziland	Lilangeni	0.8133
Sweden	S. Krone	4.719
Switzerland	Franc	1.981
Syria	Pound	3.9262
Taiwan	Dollar (O)	36.47
Tanzania	Shilling	8.1684
Thailand	Baht	20.72
Togo Rep.	C.F.A. Franc	257.25
Tonga Is.	Pa'anga	0.8686
Trinidad & Tobago	Dollar	2.4063
Tunisia	Dinar	0.4813
Turkey	Lira	99.18
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	0.8686
Uganda	Shilling	8.0105
Utd. A'b. Emir.	Dirham	3.672
Utd. Kingdom	Pound Sterling*	2.173
Upper Volta	C.F.A. Franc	257.25
Uruguay	Peso	10.48
U.S.S.R.	Rouble	0.7299
Vanuatu	Vatu (5)	83.1515
Vanuatu	Aust. Dollar	0.8686
Vatican	It. Lira	1083.00
Venezuela	Bolivar	4.2935
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Western Samoa	Tala	1.0288
Yemen	Rial	4.57
Yugoslavia	Dinar	32.19
Zaire Rp.	Zaire	3.55
Zambia	Kwacha	0.8494
Zimbabwe	Dollar	0.6623

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.
(1) Sudan—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports.
(3) Egypt—A different rate applies to certain transactions with non-IMF countries.
(4) Iceland—Introduced a new crown equivalent to 100 units of old currency on 1/1/81.
(5) Vanuatu—100 vatu=6.1875 French francs since 1/1/81. Aust. dlr. being phased out over next two years.

THE PROPERTY MARKET BY MICHAEL CASSELL

Investment hits peak

INSTITUTIONAL investment in UK property shot up by just over 45 per cent during 1980, when compared with the previous 12 months.

A sharp fourth quarter increase in the volume of funds being put into property (to some extent reflecting earlier transactions) set the seal on a record year for real estate investment by British insurance companies and pension funds.

According to figures released yesterday by the Central Statistical Office, the value of direct property investments made during 1980 reached £1.94bn against £1.33bn in the previous 12 months. The total is the highest ever recorded and takes no account of the growing volume of investment funds being channelled into overseas property.

In detail, the figures show that the pension funds put £238m into property in this country during the last three months of 1980, bringing the annual total to £855m against £499m in 1979.

At the same time, fourth-quarter investment by insurance companies reached £294m, making a 12-month total of £857m against £633m in the previous 12 months. Investment trusts and property unit trusts pushed another £109m into the property sector during 1980 compared to £90m in 1979 and, together with investments made by other small purchasers, the grand total edged close to the £2bn mark.

The surge in investment, which to some extent must be offset against increases in capital values over the same period, confirms the continuing attraction of property as a leading investment option—a role which seems unlikely to diminish significantly in the foreseeable future.

The institutions have, over the last few years, been managing to put an average of around 14 per cent of new cash flow into property investment and, when expressed in current market values, about 20 per cent of total insurance company and pension funds are now tucked away in commercial bricks and mortar.

Prime investments remain as hard as ever to locate and yields continue to stay low and firm, at least partially held down by those funds who are late entrants to the property investment market and are prepared to pay the price to catch up.

According to Narish Gudka of Quilter Hilton Goodison, the City brokers, the 20 per cent average ratio (some funds are up to 30 per cent) should not change much in the medium to long-term. "There may be some decline in the short-term, however, partly due to the continuing shortage of prime properties, partly because the institutions are showing greater interest in the equity market in anticipation of a rapid recovery in profits and dividends and partly due to the introduction of index-linked gilts."

GM considers sale

ANOTHER of New York's office landmarks could soon be up for sale. Following last year's £170m sale of the 2.3m sq ft Pan Am building to Metropolitan Life Insurance, General Motors has taken the first step towards disposal of its own world-famous headquarters at 767 Fifth Avenue.

The beleaguered group has instructed Landaur Associates, in which Hillier Parker May and Rowden of London have a shareholding, to "explore the possible sale" of the building, which has 1.6m sq ft of lettable space, 50 storeys and stands opposite Grand Army Plaza.

The office tower houses GM's New York headquarters and if the building is eventually sold it would retain its head office operation under a long-term lease. A spokesman for the group said it would expect to receive about $500m from a sale. The funds raised would be used to invest in new products and manufacturing facilities.

The General Motors building, which was completed in 1968, is multi-tenanted like the Pan Am building and is also expected to arouse interest among international institutional investors.

GRE pieces City scheme together

THE FINAL pieces in a nine-year development jigsaw are expected to slot into place shortly for Guardian Royal Exchange Assurance, which is proposing a series of office developments on a key site next door to London's Billingsgate fish market.

The insurance group has put in seven separate planning applications for the site *bounded by Lovat Lane, Monument Street and St. Mary-at-Hill* in one of the oldest parts of the City of London.

The planning committee of the City Corporation has already heard five of the seven applications and these are expected to be approved, subject to one or two minor revisions, next week. The remaining two applications are likely to be resubmitted pending the outcome of negotiations between GRE and the Company of Watermen and Lightermen which owns and occupies the freehold of some of the St. Mary-at-Hill offices.

The insurance group has been in a position to develop the site for several years but was frustrated first by the property crash and later by problems with office development permits. At one stage it had hoped to develop the site jointly with Compass Securities and Hill Samuel but now it is going ahead on its own.

The proposals allow for nearly 385,000 sq ft of old and new buildings. The Exchange hopes to move all its operations to the site and Swire would take space in the development. Both the site and the existing buildings present the planners with problems and, given the possibility of a public inquiry, any final decision on their future still seems some way off.

The five planning applications from GRE which are due to come up for final approval by the Corporation next week call for:

- 5,388 sq ft of offices and an office-shop unit of 1,842 sq ft at 21-22 Lovat Lane;
- 10,215 sq ft of offices plus a 570 sq ft office-shop unit at 23-24 Lovat Lane;
- 12,670 sq ft of offices plus two smaller units of about 600 sq ft at 8-9 Lovat Lane;
- 25,500 sq ft of offices at the corner of Monument Street and Lovat Lane;
- 16,127 sq ft of offices plus a 654 sq ft office-shop unit at 25-26 Lovat Lane.

The two outstanding applications — currently involving another 18,000 sq ft of floor-space — will go before the Corporation when the talks with the Watermen and Lightermen, who want a banqueting hall included in the scheme, are concluded.

Andrew Taylor

Trafalgar go-ahead

TRAFALGAR HOUSE has won planning permission from the London Borough of Hounslow for its £25m redevelopment scheme on the site of the former Firestone factory at Brentford.

The property-to-shipping group last year found itself at the heart of a blazing row when it demolished the art deco facade of the old Firestone building just 48 hours before it was listed.

Trafalgar House, which has steadfastly denied that it brought forward the demolition of the factory frontage to beat a listing order, is now negotiating the sale of 20 acres of land to Royal Insurance for a price thought to be in the region of £7m. Under the agreement, Royal will fund the redevelopment of the site—building costs will be around £18m—and construction will be carried out by *Builders Amalgamated*, a subsidiary of Trafalgar House.

If there are no objections from the Department of the Environment, work on the 653,000 sq ft scheme will start almost immediately. The plans call for the refurbishment of existing space and also include the provision of 323,000 sq ft of new industrial-warehouse units and *33,500 sq ft of associated office space.*

There will in addition be a 75,000 sq ft office block, a 40,000 sq ft do-it-yourself store, together with shops and leisure facilities. The scheme should be complete in 1983.

Montreal's bogeyman loses his impact

IN THE revitalised Montreal real estate market, the bogeyman of yesteryear seems much *less frightening than he used to* be. Last week's re-election of Mr. Rene Levesque and his Parti Quebecois, which swept to power in November, 1966, and virtually put a stop to office development in the process, is being viewed with something close to equanimity.

A year ago, observers were noting that, after 20 years of arguing over the principle of separating Quebec from the rest of Canada, no office block had been built in five years and the sole development then going ahead was by a French company for a French bank.

Now, between 5m and 6m sq ft gross of new office space is under construction or actively planned in the central Montreal area, and due on the market by the end of 1983. Mr. Levesque's election victory is obviously being measured carefully against his referendum defeat last May 20 on the proposal to renegotiate Quebec's sovereignty.

The impact of his latest success on the current development market is expected to be minimal and major project cancellations or delays are not expected.

Less than one million square feet of the total under construction or planned represent Federal government projects and most of this is in the shape of the *Place Guy Favreau*, which at a cost of well over C$100m at current prices, would concentrate all Federal offices in one single development.

The balance represents private-sector investment, including the twin-office towers of the National Bank of Canada and Bell Canada, the telecommunications giant, with more than 1m sq ft, and two major developments near McGill University, which add up to well over that figure.

Opposite the Sheraton lies the choicest piece of downtown development land left anywhere in Eastern, Central or Western Canada—a large corner site belonging to Canadian Pacific and awaiting action for six or seven years.

It was originally intended to have a twin-tower office development with the Bank of Montreal as prime tenant, but this fell through well before the Parti Quebecois was first elected in 1976, and the subsequent exodus of major company headquarters and departments to Toronto, Ottawa and Calgary. There is now talk that Canpac might build one office tower of about 500,000 to 600,000 sq ft, with Lavalin, a major Montreal-based engineering company, as prime tenant.

INDUSTRIAL AND COMMERCIAL PROPERTY APPEARS EVERY FRIDAY

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هكذا من الأصل

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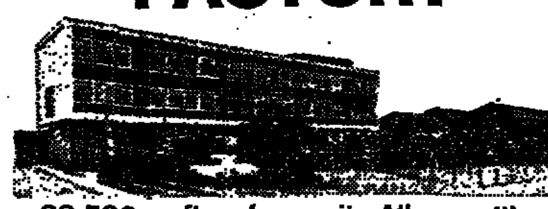

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COMPANY NOTICES

O.K. BAZAARS (1929) LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO 6% SECOND CUMULATIVE PREFERENCE SHAREHOLDERS—DIVIDEND No. 85

NOTICE IS HEREBY GIVEN that the half-yearly dividend of 3% has this day been declared payable on the 31st May, 1981, in the currency of the Republic of South Africa, to all holders of 6% Second Cumulative Preference Shares registered in the books of the Company at the close of business on the 8th May, 1981.

The usual non-resident shareholders' tax of 15% will be deducted where applicable.

The Register of Members will be closed in Johannesburg and London from 9th to 16th May, 1981, both days inclusive, for the purpose of the above dividend.

By Order of the Board
J. S. PARNALL
Secretary

London Registrars:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London, SW1P 1PL.
Registered Office:
O.K. Building,
80 Eloff Street,
Johannesburg. 2001.
21st April, 1981.

SOCIETE GENERALE
US$50,000,000 FLOATING RATE NOTES DUE 1991

For three months, April 15, 1981 to July 14, 1981, the notes will carry an interest rate of 17% per annum. The interest due July 15, 1981 against coupon No. 8 will be US$42.97 and has been computed on the actual number of days elapsed (91) divided by 360.

The Principal Paying Agent,
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25,000 sq. ft.

(incl. 6,300 sq. ft. offices)

22 eaves, Full C.H., 10-ton Gantry, etc.

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LEGAL NOTICE

THE COMPANIES ACT, 1948
In the Matter of
BENVIEW LIMITED
Ventilation Engineers

Winding-up Order made 30 March, 1981. Date and place of first meetings: Creditors—30 April, 1981 at 11.30 a.m. at Park House, 22 Park Street, Croydon CR9 1TX. Contributories: 30 April, 1981 at 12.00 noon at Park House, 22 Park Street, Croydon CR9 1TX.

R. A. D. COPPER
Official Receiver and
Provisional Liquidator.

Park House,
22 Park Street,
Croydon CR9 1TX.

PUBLIC NOTICE

BERKSHIRE COUNTY COUNCIL BILLS £17m due 23rd July, 1981, issued 23rd April, 1981. Average £97.16. £51m applications. £27m outstanding.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 734 0557.

GARGOYLE, 69 Dean Street, London, W1. NEW EROTIC FLOORSHOW "CLOSE ENCOUNTERS" 11-3.30 am. Shows at Midnight and 1 am. Mon.-Fri. Closed Saturdays. 01-437 6455.

OBITUARY

CALVERT, HAROLD WILLIAM, A.C.M.A., of Briarfield, Chelmsford Road, Woodham Mortimer, Essex, on 18th April, 1981, in Broomfield Hospital, aged 73 years. Funeral service on Tuesday, 28th April, 1981, in Chelmsford Crematorium Chapel at 12 noon. Donations to the Royal National Lifeboat Institute.

INTERNATIONAL PROPERTY

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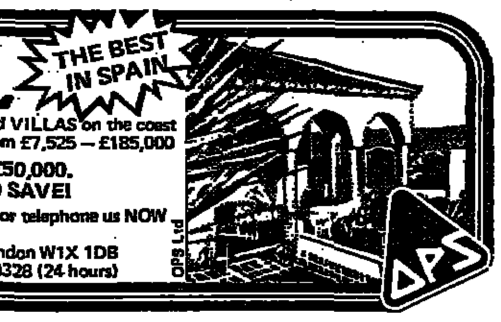

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*Tennis Courts * Bars and Restaurants*
*Laundry * *Supermarket * Marble Floors*
*Handfinished Kitchens * Luxurious Bathrooms*
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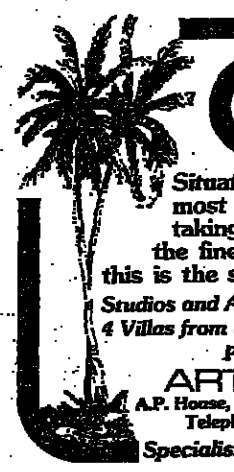

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Telex: 25259 GESER CH

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62460 Divion France
or phone:
Mr. Dumetz
Crawley (0293) 21916 (England)

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$80,000
90% financing $8,000 down
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or call collect 912-786 5995
Tybee Beach Ocean Villas

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First after Gibraltar First for quality First for investment

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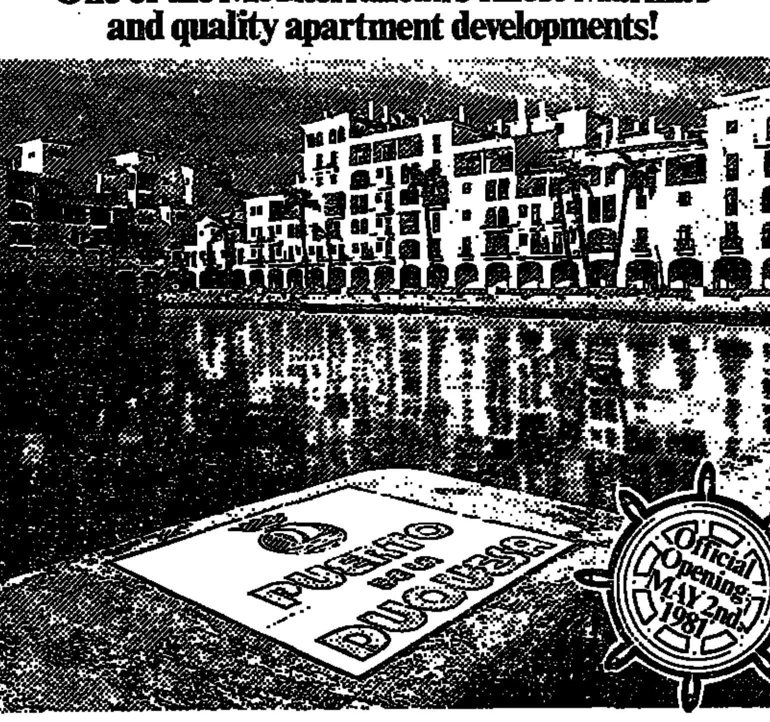

Starting the 2nd May, 1981 Puerto de la Duquesa will provide a quality lifestyle that will be hard to beat throughout the Mediterranean.
The whole development is run harmoniously and financed by Swiss developers.
The price range for apartments starts from £16,000 for a studio (large bedsitter) up to £70,000 for a four bedroom apartment.
Mortgage facilities are available.
The view that they enjoy is exquisite, covering the bay of Malaga, the Rock of Gibralter, surrounded by Andalucian hillsides.
The Marina, which is the first private one after the Straits of Gibraltar, has 350 moorings from 8 – 20 metres and can only be purchased by owners of apartments or commerecial premises, and an 18 hole golf course, designed by Allis Golf Constructions Limited is being developed over three years. Tennis courts, swimming pools and the first beachclub are ready for the summer.
Some commercial facilities are already open and are available for sale or renting.
We recommend you visit Puerto de la Duquesa on one of our inspection flights, which can be arranged through one of our agents listed below.

PUERTO DE LA DUQUESA

Call by telephone or send the coupon to:

Fincasol Chullera Properties, 4 Bridge Street, Salisbury, Wiltshire. SP1 2LX. Tel: 0722-26444	Warcourt Sunhomes, 14 St. Mary's Hill, Stamford, Lincs. Tel: 0780-52521/52143	Montpelier International Properties, 17 Montpelier Street, London. SW7 1HG. Tel: 01-589-3400	Montpelier International Suite 233, Royal Exchange, Cross Street, Manchester 3. Tel: 61 834-3386

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Complete the above coupon in block capitals and send to your nearest agents

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WORLD STOCK MARKETS

Inflation hopes lift early Dow

HEAVY TRADING on Wall Street took stocks higher by mid-session yesterday on hopes that U.S. inflation may be slowing.

The Dow Jones Industrial Average gained 7.48 to 1,014.50 by 1 pm and advances led declines by eight to five on volume of 31m shares. The mid-day NYSE All Common Index was 0.22 higher at 77.63.

News that the March increase in consumer prices had been the lowest since last July supported projections earlier this week that the inflation rate might be kept in single figures for the year. Mr. Allen Sinai, an economist of *Data Resources*, described these indications as "exceptionally good news and a better result than most people expected."

Vehicles were mostly higher on growing hopes for an agreement between the U.S. and Japan on voluntary import limits. Volume leader General Motors climbed $2¾ to $57¼, Ford Motor $⅝ to $24⅝, Chrysler $⅛ to $5⅛ and American Motors the same amount to $4⅜.

Among Japanese makers, Honda gained $¾ to $41⅛ and *Nissan $⅛ to $39⅞ bid, over-the-counter*, but Toyota lost $2 to $49 bid, O-T-C.

Curtiss-Wright gained $3 to $40½ and its preferred "A" $5, all of which it is to redeem, rose $5 to $50.

Chemicals advanced. Du Pont added $1¼ to $49⅝, Union Carbide $⅞ to $58⅞, Dow Chemical $½ to $36½ and Allied $1½ to $51½.

Oil were mixed. Exxon reported lower first quarter profits and lost $¾ to $66¼. Texaco lost $½ to $34½. Superior Oil $2¾ to $188¾ and Phillips $⅛ to $39⅞ but Standard Oil (Ohio) added $1¼ to $48⅞.

ASA slipped $1¼ to $53. It expects lower profits for the rest of the year.

THE AMERICAN SE Market Value Index added 0.46 to 361.94 by noon on volume of 5.14m shares.

Closing prices for North America were not available for this edition.

Canada

Gold and Base Metal issues both showed a marked decline in a mixed to firmer early Toronto market. The Golds Index dropped 26.7 to 4,281.8 and Metals and Minerals 12.2 to 2,381.4 while the Toronto Composite Index added 4.2 to 2,354.6 by noon.

Energy stocks were firmer with the overall trend. The Oil and Gas Index put on 4.2 to 4,527.5.

In a steady Montreal market the Combined and Industrials indices each improved fractionally — up 0.60 to 370.67 and a bare 0.01 to 396.45 respectively.

Germany

The Commerzbank Index closed up 4.4 at a high for the year of 723.4 at heavy buying interest centred on the Engineering sector.

Mannesmann added DM 2.20 to DM 143; Linde at DM 310 and Deutsche Babcock at DM 205 gained DM 2 each, and KHD rose DM 4.80 to DM 184.30.

Commerzbank at DM 133 led Banks up DM 2, with the sector apparently benefiting from the encouraging response to a rights issue from Berliner Handel und Frankfurter Bank.

Late profit-taking eroded earlier gains, notably in Vehicles where Volkswagen closed 60 pfg down at DM 164.70 after rising DM 0.30 above Wednesday's close. Daimler was off 50 pfg at DM 303 after opening up DM 1, and BMW shed DM 2 to DM 133.

Public Authority loans and D-Mark Eurobonds were mixed.

Paris

Share prices on the Paris bourse were steady. The opening of the new monthly Account on the Forward Market contributed to an active trade, partly offset by position squaring ahead of Sunday's first round of the French presidential elections.

Firmer sectors included Rubbers, Engineerings and Electricals, while Banks and Foods weakened.

Beghin-Say firmed against the trend in Foods, rising 2.5 to FFr 235 after announcing higher parent company net profits for 1980. Moulinex eased 0.30 to FFr 74 in otherwise firm Electricals after news of lower group net profits.

In the Foreign sector, Americans and Germans were firm, Oils and Coppers were mixed, while Gold Mines eased.

Amsterdam

Higher Amsterdam prices featured KLM, up 7.20 to Fl 123.70 in Internationals. Royal Dutch, however, shed 1.50 to Fl 89.50.

Both the General and Industrial indices achieved 1981 highs, the former up 0.6 to 91.4 and the latter 0.9 to 71.1.

Italy

Milan bourse prices closed selectively firmer in active trading. The day index added *3.90 to 266.45, a 1981 peak.*

Banks were generally strong but profit-taking weakened Mediobanca which closed L600 down at L125,900.

Johannesburg

Trading volume rose markedly in Johannesburg but Gold shares were almost all easier as the bullion price wavered. East Driefontein dropped R1.25 to R32. It had gained 50 cents on Wednesday following a merger announcement.

Sasol, the oil-from-coal producer, was a feature. About 250,000 shares were traded, although its price dropped 15 cents to R4.40. Several large orders were said to have emanated from London, as well as New York.

Elsewhere, AE and CI added 30 cents to R9.10. Cigarette manufacturer Rembrandt rose 40 cents to R8.60 on news of its £162m planned partnership with Philip Morris.

Tokyo

Prices in Tokyo eased slightly on profit-taking in big Capitals but high-priced Electricals and Precisions rose sharply on foreign purchases.

The Nikkei-Dow Jones Market Average shed 9.50 to 7,523.72 in quieter but still fairly active trading, with volume of 580m shares (830m). The Tokyo New SE Index lost 1.94 to 551.81.

Steels, Heavy Electric Machines and Shipbuildings fell sharply, followed by Natural Resources and Synthetic Fibres.

Hitachi lost Y20 to Y510, Mitsubishi Electrical Y15 to Y320 and Nippon Steel Y6 to Y197. Nippon Oil fell Y70 to Y1,650.

Among Precisions, TDK Electronics rose Y40 to Y4,030 and Sony Y120 to Y3,910.

Trading Houses, Insurers and Real Estates were also higher, with Mitsui Real Estate up Y20 to Y605. Vehicles closed mixed and the Second Market lower.

Hong Kong

Business picked up again after a quiet period and the market firmed, the Hang Seng Index adding 29.92 points to 1,274.86.

Institutional interest centred on leaders, among which Cheung Kong added 75 cents to HK$31.25, Hong Kong Land 30 cents to HK$11.80, and Hong Kong Electric 20 cents to HK$7.45 ahead of final results.

Hong Kong Wharf rose 15 cents to HK$7.95, Hutchinson Whampoa 60 cents to HK$15.80, Jardine Matheson 30 cents to HK$21.30 and Swire Pacific "A" 60 cents to HK$14.10.

Australia

Oil stocks, particularly the more speculative issues, eased as scattered situation stocks and Industrials remained prominent.

The Sydney Industrial Index, helped by support for Banking issues, finished 2.3 up at 757.2, a new high. The All Ordinaries Index was 0.9 off at 724.1, largely as a result of a seven-point fall in the Oil and Gas Index to 984.6. Trading was dull.

In Melbourne, most Industrial issues continued to edge higher in sluggish trading but there was little buying support for Mines apart from a few Gold Issues. Recently-listed Boomalli rose 30 cents to A$2.50.

Indices

NEW YORK —DOW JONES

	Apr. 22	Apr. 21	April 20	Apr. 16	Apr. 15	Apr. 14	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
♦Industr'ls	1007.02	1003.9	1015.94	1005.58	1001.7	993.10	1015.94 (20/4)	951.57 (13/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	60.96	60.66	61.14	60.94	60.84	60.79	65.78 (16/1)	60.79 (14/4)	—	—
Transport.	445.20	439.02	444.84	447.38	446.59	437.62	447.58 (16/4)	379.10 (20/2)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	106.54	107.02	107.24	107.16	106.32	105.34	117.81 (6/1)	105.54 (14/4)	165.52 (20/4/69)	10.5 (28/4/42)
Trading Vo 000's†	60,96	60,260	51,020	52,950	56 040	48 350	—	—	—	—

♦Day's high 1013.96, low 996.13

Ind. div. yield %	Apr. 20	Apr. 10	Apr. 3	Year ago (approx
	5.51	5.54	5.50	6.30

STANDARD AND POORS

	Apr. 22	Apr. 21	April 20	Apr. 16	Apr. 15	Apr. 14	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	151.91	152.04	154.34	152.52	152.58	151.80	157.02 (6/1)	143.73 (2/2)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	134.14	134.25	136.25	134.70	134.79	134.05	138.12 (6/1)	128.68 (20/2)	140.52 (28/11/80)	4.40 (1/6/32)

	April 15	April 8	Apr. 1	Year ago (approx
Ind. div. yield %	4.56	4.55	4.47	5.74
Ind. P/E Ratio	10.59	9.46	9.64	7.14
Long Gov. Bond Yield	13.07	12.94	12.46	11.64

N.Y.S.E. ALL COMMON

Apr. 22	Apr. 21	Apr. 20	Apr. 16	1981 High	1981 Low
77.41	77.46	78.17	77.76	79.14 (6/1)	72.45 (20/2)

Rises and Falls	Apr. 22	Apr. 21	Apr. 20
Issues Traded	1,913	1,900	1,915
Rises	747	621	821
Falls	792	911	734
Unchanged	374	368	360
New Highs	111	146	158
New Lows	37	20	23

MONTREAL

	Apr. 22	Apr. 21	Apr. 20	Apr. 16	1981 High	1981 Low
Industrials	396.57	394.68	399.71	396.27	609.55 (10/4)	366.20 (20/2)
Combined	370.22	369.09	370.55	370.50	578.66 (2/4)	339.54 (20/2)
TORONTO Composite	2350.40	2351.46	2354.37	2356.2	2578.8 (10/4)	2151.4 (20/2)

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Am. Airlines	1,670,200	19¾	+1⅜	Sony	697,100	17⅞	—
Am. Express	1,461,700	44¾	+4	Brunswick	624,700	19⅞	+ ¾
Citicorp	942,200	24¾	+1⅜	Gen. Motors	664,700	55¾	+1¾
Texaco	729,100	35	− ¼	Mobil	571,600	60⅛	—
IBM	715,200	60¼	− ¼	BankAmerica	553,400	25⅞	−1¼

	Apr. 23	Apr. 22	Apr. 21	Apr. 20	1981 High	1981 Low
AUSTRALIA						
All Ord. (1/1/80)	724.1	726.0	726.2	(c)	737.5 (6/4)	641.1 (17/2)
Metal & Minrls. (1/1/80)	628.6	630.2	629.8		735.2 (7/1)	554.9 (3/3)
AUSTRIA						
Credit Aktien (2/1/62)	61.75	61.76	65.63	(c)	68.45 (5/1)	61.64 (9/4)
BELGIUM						
Belgian SE (31/12/63)	80.62	80.47	81.26	(c)	86.15 (17/2)	80.47 (22/4)
DENMARK						
Copenhagen SE (1/1/73)	107.64	107.98	108.16	(c)	109.25 (6/4)	95.88 (2/1)
FRANCE						
CAC General (29/12/61)	111.2	111.1	108.2	(c)	112.5 (17/3)	105.1 (29/1)
Ind Tendance (31/12/80)	104.6	104.1	101.5		106.8 (13/3)	95.4 (27/1)
GERMANY						
FAZ-Aktien (31/12/58)	234.26	233.02	232.45	(c)	234.26 (23/4)	215.68 (9/2)
Commerzbank (Dec. 1953)	725.4	719.0	717.5		725.4 (23/4)	666.4 (16/2)
HOLLAND						
ANP-CBS General (1970)	91.4	90.8	91.0	(c)	91.4 (23/4)	85.7 (2/1)
ANP-CBS Indust. (1970)	71.1	70.2	69.9		71.1 (23/4)	62.8 (2/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1574.86	1544.94	1552.94	(c)	1650.82 (4/2)	1295.44 (11/3)
ITALY						
Banca Comm. Ital (1972)	266.45	262.55	263.21	(c)	266.45 (23/4)	175.56 (6/1)
JAPAN						
Dow Average (16/5/49)	7523.72	7533.22	7497.36	7484.71	7656.98 (13/4)	6956.52 (13/3)
Tokyo New SE (4/1/68)	551.81	553.75	549.70	546.77	553.75 (22/4)	495.79 (5/1)
NORWAY						
Oslo SE (1/1/72)	121.01	120.22	119.88	(c)	124.18 (5/3)	110.22 (15/2)
SINGAPORE						
Straits Times (1966)	853.68	850.71	850.55	845.64	853.69 (23/4)	659.52 (2/1)
SOUTH AFRICA						
Gold (1958)	—	667.0	647.0	(c)	797.6 (7/1)	561.3 (6/3)
Industrial (1958)	—	625.8	623.2		625.8 (22/4)	537.2 (3/2)
SPAIN						
Madrid SE (30/12/80)	113.80	113.60	113.40	(c)	114.26 (17/2)	100.46 (2/1)
SWEDEN						
Jacobson & P. (1/1/58)	490.16	489.80	489.73	(c)	493.61 (25/3)	404.17 (20/1)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	299.4	298.2	299.5	(c)	304.2 (2/4)	287.0 (13/2)
WORLD						
Capital Intl. (1/1/70)	—	159.2	158.4	158.7	162.8 (6/1)	143.8 (17/2)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. (c) Closed.

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COMMODITIES AND AGRICULTURE

Strong start to tobacco auctions

BY TONY HAWKINS IN SALISBURY

ZIMBABWE'S tobacco sales have opened with substantially higher prices than even the most optimistic growers had been anticipating. In the first day's sales on Wednesday the price averaged 135.73 Zimbabwe cents ($2.04) a kilo, while yesterday the price rose to 147.82 cents.

These prices are significantly higher than expected. Before the sales opened tobacco industry sources here were predicting a price of 120 to 125 Zimbabwe cents a kilo for the season's average. Normally low prices are expected in the first few weeks of the sales when the lower-quality leaf is offered for sale.

There is now speculation that the price for the season will average at least 140 to 150 cents a kilo and this would mean a rise in the value of tobacco production from some Zimbabwe $97m last year to just over Zim$101m, in spite of a 40 per cent reduction in the volume of tobacco output.

Last year sales opened with an average price of only 86 cents a kilo but then collapsed in midseason before staging a late-season recovery to average just under 80 cents.

The very strong prices for the first two days of the sales suggest that the decision to cut the crop after last year's sales debacle and the running down of Zimbabwe's huge stockpile have changed the market situation radically for the better. Growers are jubilant at the prices being offered.

Canada bans European livestock

By Victor Mackie in Ottawa

Mr. Eugene Whelan, Canada's Minister of Agriculture, announced yesterday that cattle and sheep will not be allowed int Canada from continental Europe this year because of recent foot-and-mouth outbreaks in Italy, France and Austria.

Canada had been free of the disease except for one outbreak in 1952 and a new introduction could seriously effect Canada's ability toexport live stock, the Minister explained.

"The incidence of foot-and-mouth disease in France is a particular concern to the Canadian livestick industry because European livestock are gathered at the Brest, quarantine station in France before they are bought by boat to Canada," Mr. Whelan said.

In addition outbreaks in Austria and Italy had occurred in areas where cattle have been selected in the pas for export to Canada.

Rise in titanium use forecast

WEST BERLIN — World titanium consumption will rise to 137,900 tonnes in 1985 and 163,000 tonnes in 1990 from 104,200 in 1978, a West German Economic Research Institute said.

The institute said U.S. consumption will rise to 38,100 tonnes in 1985 and 43,700 in 1990 from 29,200 in 1978, with EEC consumption climbing to 24,450 tonnes in 1985 and 27,700 tonnes in 1990 from 20,400 in 1978.

Top three tin producers to meet

BY WONG SULONG IN KUALA LUMPUR

MINING MINISTERS from Indonesia, Malaysia and Thailand, representing the top three tin producing countries, are to meet in Kuala Lumpur for two days, on Saturday, to discuss the depressed prices for tin and the future of the International Tin Agreement.

The three countries, who are the moderate tin producers, are getting increasingly frustrated at the turn of events at meetings of the International Tin Council, particularly the tough stand of the United States on prices and the sixth international agreement.

Tin producing countries walked out of a price review meeting in London last month when the U.S. stood firm against any discussion of an upward revision of the ITC price range.

At the same time, the U.S. tough stand on such matters as the size of the tin bufferstock and export control has thrown doubts on the future of the Tin Agreement. The current fifth Tin Agreement expires in June next year.

The mining ministers, Datuk Paul Leong of Malaysia, Dr. Subroto, Indonesia and Maj.-General Chartichai Choonhaven of Thailand, are expected to agree to apply joint pressure on the U.S. to soften its position.

The feeling of the three tin producing countries is that the package deal proposed by Mr. Peter Lai, the ITC chairman, represents the "bottom line" acceptable to the producers, and are unhappy that the negotiations are taking a strong political tone due to U.S. resistance.

They feel that the International Tin Agreement has worked well, and unless the U.S. relents, they may have to fall back on the same structure that existed under the fourth agreement — without U.S. participation.

Malaysia, Indonesia and Thailand also feel strongly that there should be a moderate upward revision of the tin price range to cover for inflation.

They are also unhappy over the U.S. tin release from its strategic stockpile, at a time when prices are already so depressed, as they feel this American action is against the spirit of co-operation and compromise of the ITC.

Our Commodities Editor writes: Tin prices dropped again on the London Metal Exchange yesterday, in spite of a slight rise in the Penang market overnight. Cash tin in London closed last night £35 down at £5,960 a tonne. The decline followed the general downward trend in other metals, triggered off by the fall in gold.

Copper cash wirebars lost £3.75 to £838.5 a tonne, in spite of news of a strike threat in Peru. The market was depressed by a report that there might be a quick end to the stoppage at the El Teniente mine in Chile.

Forecasts of a stocks increase helped push the LME aluminium cash price down by £7.5 to £611 a tonne. On the free market spot aluminium, cif Europe, was reported to be trading at $1,350 a tonne—the lowest level since early 1979.

Liquid milk sales slip

By Richard Mooney

LIQUID MILK consumption in England and Wales accounted for less than half total production during the 1980-81 milk year —the first time this has ever happened.

Figures released yesterday by the Milk Marketing Board show that out of 12.8bn litres sold off farms in the April-March season only 6.29bn litres was consumed in liquid form. The other 6.51bn litres went for manufacturing into butter, cheese, or cream.

Liquid milk consumption has been falling steadily in England and Wales for some years and the 1980-81 total was 1.9 per cent down on 1979-80.

But the figure for March indicated a slower degree of decline. At 540.7m litres liquid sales were only 1.6 per cent down from the same month last year compared with a year-on-year fall of 2.5 per cent (adjusted for the leap year) in February and 2.8 per cent in January.

Farm investment at 20-year low

By Our Commodities Staff

LAST YEAR farmers spent more on interest payments than on investment in plant and machinery, Mr. R. H. Filbey, newly-elected president of the Agricultural Engineers Association claimed yesterday.

Speaking at the Association's annual lunch in London Mr. Filbey said that interest rate had been too high for too long affecting not only the cost of borrowing but also the ability of the agriculture industry to invest in new equipment.

He added that the levels of activity in the agricultural machinery industry were at the lowest for at least two decades; there had been a 20 per cent fall in total domestic sales and exports were down by a similar amount.

UK sales of tractors had fallen by almost 30 per cent in unit terms and tractor exports had only been sustained at the cost of very substantially reduced profits.

Mr. Filbey said the recent rise in European farm prices would do little to promote the confidence needed for investment, while the strength of sterling had helped decimate agricultural machinery exports.

Australian sugar setback

BY PATRICIA NEWBY IN CANBERRA

AUSTRALIAN sugar industry representatives and Mr. Doug Anthony, the Minister for Trade, yesterday expressed disappointment that Japan had decided not to renew its long-term sugar contract with Australia.

Mr. Mick Ahern, the Queensland Minister for Primary Industries also expressed disappointment, but said he hoped a new long-term contract could be negotiated in perhaps a year or two.

In the meantime, Mr. Ahern said he hoped interim arrangements could be made by Australia's negotiators currently in Tokyo to ensure continued access for Australian sugar to the Japanese market.

Access was the key word being used yesterday by the sugar industry.

Mr. Malcolm McKinnon, general secretary of the Queensland Cane Growers Council, said growers hoped to see guaranteed access for certain tonnages of sugar spread throughout the year at world prices.

This would provide much more stability for growers and the world sugar market than if Japan solely purchased on the spot market.

Sugar industry representatives expect Japanese refiners to continue to buy roughly the same quantities of sugar as they have over the past few years but fear that prices will fluctuate wildly if all purchases are on the spot market.

The current long-term agreement which expires on June 30 was for delivery of 3m tonnes over five years. It was re-written in 1977 under Japanese pressure for price reductions. Terms of the new deal were not divulged but it was agreed that Australia provide 600,000 tonnes a year, 450,000 tonnes at one price and 150,000 tonnes at what is believed to be a lower price.

With spot market purchases, Japan has in fact been buying between 700,000 and 800,000 tonnes over the past few years with 762,000 tonnes purchased last year.

Australia's sugar exports have been between 3.2m and 3.5m tonnes over the past few years with Japan being by far the biggest single buyer.

Sugar price rally

THE TECHNICAL rally in world sugar values continued yesterday lifting the August position on the London futures market to £204.875 a tonne, up £6.95 on the day.

The rally started on Monday after the sustained decline which began last October with second position London futures standing at over £440 a tonne had pushed the August quotation down to £187. Dealers have attributed the subsequent advance mainly to speculative buying based on the belief that the market had become oversold. It was also encouraged yesterday, however, by talk that Mexico was seeking 200,000 tonnes of sugar for delivery later this year.

CEREAL FARMING

Combating signs of stress

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I SPENT a miserable Easter, frozen by a bitter North East wind, looking around my crops with a deepening neurosis. This, I may say, happens every year, because there is a period in April when winter does not wish to let go and growth is very slow indeed. To make matters worse, the grain crops begin to show signs of stress, a faint yellowing of the leaves which could warn of deficiencies and diseases too numerous to mention. Or it could just be the cold weather.

Until ten years or so ago such symptoms could be ignored as incurable. One developed a hardy outlook. After doing one's best with the materials at hand there was nothing to do but wait until harvest. And I have never known a harvest fail yet, although some are better than others.

But of late years the chemists have come up with remedies for almost every condition and disease which can affect the development of the grain and grass plant, except of course to provide warmth and moisture.

This is fine. But in addition they have sought to capitalise on their discoveries by making us aware, both of the diseases and the cures.

The result is an overkill. My reaction to a mail stuffed, not with cheques, but with invitations to spend more money suppressing a whole variety of diseases is to put the lot in the fire and pour myself a stiff drink.

It is not that I am unappreciative of the benefits that chemical research has brought to farmers. But there is a danger that the use of chemicals, regardless of expense, could reduce profits and consequently the credibility of the systems, once farmers have woken up to their true implications.

Part of the trouble is that most experimental farming results that are published, are concerned with yields and not with profits. But it is profit an acre that counts in the long term, and not yield. It is quite possible to grow an extra half tonne of grain an acre with a high chemical input system, and find at the end of the day that the cost of the chemicals and their application, has exceeded the return from the extra grain.

There are signs that this is becoming understood. The Government's Agricultural Development and Advisory Service has initiated trials comparing the high and low input systems, and I heard recently that one large accountancy group of farmers, is so alarmed at the high cost of these inputs that it is initiating a study of their value.

The results of such independent research would be all to the good, and must be to the benefit of the chemical salesmen as well. If they show the benefits of the system, farmers are very quick to catch on. But many besides myself remain highly sceptical.

One of a plants' main symptoms of stress is a yellowing of the leaves. This could be caused by anything from waterlogging, a lack of plant nutrients, particularly nitrogen, lack of lime and of course a whole series of diseases. My experience has always been that once the weather warms up and growth can restart, a healthy plant will overcome most of these symptoms and grow away from them. The time to attack them is when they can be identified and stopped while they are overcoming the diseases and beginning to make progress.

On my own crops the overwhelming influence has been the weather, compounded by a most annoying attack of slugs. There were over six inches of rain in March which swamped and capped the ground to an extent never experienced before and did a lot of damage.

Capping means just what it says. The rain, which was very heavy, beat the top soil to the extent that it ran together and when it dried out, remained as an impermeable crust. This was worse on two fields which had been sown in February. In some quite large patches the barley never came through at all and in the end I ploughed and resowed them.

This did not affect the autumn sown crops nearly so badly. They survived the winter quite well, and here the problem was to apply the spring dressings of nitrogen. This proved to be almost impossible through March, the machinery dug deep into the fields, and the operation where I carried it out, did almost as much harm as good. Some farmers were hiring aircraft to do this work, but there was a delay on getting these services, because everyone wanted them at the same time.

The development of the autumn sown crops has been entirely a matter of altitude. On my lowest fields, at about 400 ft they are first class. But at 700 ft where I have a good deal of land growth is still very backward.

The early sown spring barley came through with difficulty and looked horribly yellow and unthrifty until a week ago, and then one warm day with sun set it growing, Saturday, April 11 to be exact. There is very little weed growth as yet, probably the weeds have been inhibited by the weather and the capping of the top soil, but no doubt they will show up when the weather improves. On the positive side I have never seen the lambs look better.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Easier on the London Metal Exchange, reflecting the fall in gold and general lack of interest. Forward metal opened lower and drifted to £853 on the pre-market following the uninspiring performance in overnight American markets. However, this level attracted short covering and U.S. interest and three months rallied to £861 before closing the late kerb at £858.5. Turnover 15,100 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	834-.5	-3.25	838-9	-3.75
3 months	855-.5	-9	860-.5	-3
Settlem't	834.5	-9.5	—	......
Cathodes				
Cash	827.5-8	-8.75	830-1	-6
3 months	844-.5	-8	848-.5	-4.25
Settlem't	828	-9	—	......
U.S. Prod.	—		*83.5-87	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £834; three months £854, 55, 58, 57, 57.5, 57, 56, 55.5, 55; 55.5. Cathodes, cash £828; three months £844.5. Kerb: Wirebars, three months £856.5, 56. Afternoon: Wirebars, three months £856, 55.5, 59, 60, 61, 61.5, 61, 60. Cathodes, cash £831; three months £848. Kerb: Wirebars, three months £860, 60.5, 60, 59, 59.5, 59, 58, 59.

TIN—Easier on balance after a quiet day's trading in which forward metal dipped to £6,030 before recovering to close the afternoon kerb at £6,080. Turnover 925 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5960-70	-47.5	5995-65	-35
3 months	6050-60	-32.5	6055-60	-10
Settlem't	5970	-45	—	......
Standard				
Cash	5960-70	-47.5	5955-65	-35
3 months	6050-60	-32.5	6055-60	-10
Settlem't	5970	-45	—	......
Straits E.	†$30.31	+0.18	—	......
New York	—	......	—	

Morning: Standard, cash £5,950, 60; three months £6,060, 55, 60, 60. Kerb: Standard, three months £6,060, 55, 60, 65. Afternoon: Standard, three months £6,060, 55. Kerb: Standard, three months £6,060, 65, 70, 80.

LEAD—Fell reflecting the weakness of copper and zinc which prompted heavy American hedge selling. The selling pressure was generally well absorbed but three months eased back from £361 to close the late kerb at £357.5. Turnover 10,075 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	351.5-.75	-5.87	351-.5	-8.25
3 months	359-.5	-4	358.5-9	-6
Settlem't	351.75	-5.25	—	......
U.S. Spot	—	......	*36-8	......

Morning: Cash £351.5; three months £360, 59, 58.5, 58, 58.5, 59, 59.5. Kerb: Three months £359, 59.5. Afternoon: Three months £360, 59, 59.5, 59. Kerb: Three months £358.5, 58.

ZINC—Lower in quiet trading with forward metal dipping from £397 to close the kerb at £391.5. Turnover 3,725 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	383-.5	-6.25	382-.5	-5.75
3 months	394-.5	-5.25	393-.5	-5.5
S'ment	383.5	-6.5	—	......
Primw'ts	—	......	*43.5	......

Morning: Three months £395, 94.5. Kerb: Three months £395, 94, 93. Afternoon: Three months £394, 93.5, 93. Kerb: Three months £393, 92, 92.5, 92, 91.

ALUMINIUM — Lost ground on renewed long liquidation which saw forward metal fall from £638 to £629 before a recovery to £632 on the late kerb. Turnover: 6,075 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	616-7	-8	610-2	-7.5
3 months	634-.5	-8.5	630-.5	-7.5

Morning: Cash £616.5; three months £634, 34.5. Kerb: Three months £635. Afternoon: Three months £634.5, 34, 33, 33.5, 33, 32, 31, 30, 30.5, 30. Kerb: Three months £629.5, 29, 30, 31, 32.

NICKEL—Moved narrowly prior to closing the late kerb at £2,907.5. Turnover 222 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2850-60	-14	2840-50	-11.5
3 months	2915-25	-12.5	2904-5	-8

Morning: Cash £2,850; three months £2,900, 03, 10. Kerb: Three months £2,920, 10. Afternoon: Three months £2,905, 04.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 11.25p an ounce lower for spot delivery in the London bullion market yesterday at 520.4p. U.S. equivalents of the fixing levels were: spot $11.35, down 20c; three-month $11.808, down 19c; six-month $12.253, down 17.5c; and 12-month $13.109, down 12.5c. The metal opened at 520p-529p ($11.35-$11.55) and closed at 517p-526p ($11.30-$11.50).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	520.40p	-11.25	523.5p	-11.0
3 months	536.10p	-11.4	539.0p	-11.25
6 months	551.50p	-10.5	—	......
12months	583.40p	-8.9	—	......

LME—Turnover 82 (131) lots of 10,000 ozs. Morning: three months 538, 37, 37.5, 38, 37. Kerb: three months 538. Afternoon: three months 538.5, 39. Kerb: three months 539, 38, 40.

COCOA

Futures opened unchanged and made modest gains on dealer and jobber support before profit-taking at the close caused prices to ease back to their opening levels. Actuals business was again neglected, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
May	953-954	+1.0	962-952
July	976-977	......	985-975
Sept.	993-994	......	1002-993
Dec.	1012-13	-1.0	1020-13
March	1032-33	-2.0	1042-33
May	1048-49	-3.0	1058-48
July	1063-64	-2.5	1070-64

Sales: 2,493 (2,754) lots of 10 tonnes.

ICCO Futures—Daily price for April 22: 98.36 (97.95); five-day average 98.27 (97.38).

COFFEE

Late liquidation in New York triggered a slightly easier opening in London. Volume remained light with no fresh features emerging from a quiet physical market, reports Drexel, Burnham, Lambert.

COFFEE	Yesterday's Close (£ per tonne)	+ or —	Business Done
May	1064-65	+1.5	1064-53
July	1065-66	-3.0	1067-61
Sept.	1061-63	-2.0	1064-59
Nov	1058-60	-3.0	1062-58
Jan	1055-59	-0.5	1054-55
March	1052-55	+0.5	1055-50
May	1045-65	-2.5	1055

Sales: 963 (1,209) lots of 5 tonnes.

ICO Indicator prices for April 22: (U.S. cents per pound): Other Mild Arabicas 129.00 (128.83); Robustas ICA 1976 112.00 (111.50); ICA 1968 112.25 (111.75). Unwashed Arabicas unquoted. Comp. daily ICA 1968 unquoted.

GAS OIL FUTURES

The market opened slightly weaker and fell further but rallied during the afternoon to close near the highs despite a weaker New York opening, reports Premier Man.

Month	Yesterd'ys close ($ U.S. per tonne)	+ or —	Business Done
June	284.50	+1.00	284.50-82.50
July	286.75	+1.25	287.25-85.00
August	292.00	+0.25	292.50-90.00
September	298.25	-2.00	299.00-97.00
October	304.50	-2.00	305.00-03.50
November	310.75	-1.25	311.00-09.75
December	315.75	-2.25	315.00-14.75
January	320.00	-2.50	322.00-22.00
February	324.00	-1.75	327.00-24.00

Turnover: 706 (949) lots of 100 tonnes.

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent May 108.00, June 107.50, July 107.25 transhipment East Coast sellers. U.S. Hard Winter 13½ per cent May 109.00, June 106.75, July 106.50 transhipment East Coast sellers. English Feed fob Sept. 105.00 paid East Coast, Oct. 108.00, Nov. 109.50 East Coast sellers. Maize: S. African Yellow April/May 85.50 seller. Barley: English Feed fob April 101.0 paid East Coast, first half May 103.25. Rest unquoted.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday's close	+ or —
May	117.00	+1.3	98.50	-0.45
July	118.80	+0.6	—	
Sep	102.95	+0.55	95.90	+0.55
Nov	106.60	+0.6	99.75	+0.50
Jan	110.60	+0.7	103.25	+0.45
Mar	114.40	+0.65	106.65	+0.25

Business done—Wheat: May 117.00-116.45, July 119.55-118.65, Sept. 103.00-102.50, Nov. 106.50-106.00, Jan. 110.45-109.90, Mar. no trades. Sales: 303 lots of 100 tonnes. Barley: May 99.50-98.55, Sept. 95.90-95.75, Nov. 99.75-99.30, Jan. 103.20-103.00, Mar. 106.60 one trade. Sales: 204 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 99.10, S. West 98.60, N. West 100.30. The UK Monetary Coefficient for the week beginning Monday April 27 is expected to remain unchanged.

Old crops wheat opened £1.15 higher May wheat saw a greater demand to close £1.30 up. May barley opened 40p up but despite shipper buying support values closed 40p lower on the day. New crop wheat and barley increased on a steady demand to close steady 55-70p higher on wheat and 25-50p higher on barley, Acli reports.

RUBBER

The London physical market opened firm, with little interest at higher levels, closing easier. Lewis and Peat reported a fob May price for No. 1 RSS in Kuala Lumpur of 282.0 (247.5) cents a kg and SMR at 253.5 (246.5).

No 1. R.S.S.	Yest'r'ys close	Previous close	Business Done
May	55.50-56.20	56.00-57.00	56.30
June	56.50-57.50	57.20-58.00	—
Jly-Sept	59.40-59.60	59.80-59.90	61.20-59.50
Oct-Dec	62.50-62.60	65.20-65.50	64.70-62.50
Jan-Mar	65.30-65.40	66.70-68.20	62.30-65.30
Apl-Jne	68.70-68.40	68.80-69.00	68.20
Jly-Sept	73.90-71.30	71.70-71.80	—
Oct-Dec	73.80-74.20	74.50-74.60	—
Jan-Mar	76.66-77.90	77.40-71.50	—

Sales: 344 (663) at 15 tonnes, 2 (9) at five tonnes. Physical closing prices (buyers) were: Spot 54.50p (54.25p), May 57.50p (same), June 57.50p (58.00p).

SOYABEAN MEAL

The market opened around £1-£1.50 higher on confirmation of partial lifting of USSR grain embargo, reports T. G. Rodick. Firm cash markets kept prices steady but profit-taking late in the day eroded values and the market closed unchanged.

	Yesterdys Close (£ per tonne)	+ or —	Business Done
June	132.10-32.5	-0.28	134.50-132.10
August	134.80-35.5	+0.10	137.00-134.50
October	137.50-37.8	+0.25	—
December	139.50-39.9	-0.20	142.50
February	141.00-42.0	—	—
April	141.00-44.0	-0.25	—
April	141.50-46.0	—	—

Sales: 201 (197) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw Sugar £193.00 (same) a tonne cif April-May-June shipments. White sugar daily price £211.00 (same).

The market opened below kerb levels but selling interest was lacking at the lower levels and prices began to improve. The recovery was assisted later by New York and final prices were the highs of the day, reports C. Czarnikow.

No. 4 Con-tract	Yest'rdy's Close (£ per tonne)	Previous Close	Business Done
May	204.85-04.75	196.15-96.30	204.50-194.7
Aug.	204.75-05.00	197.85-98.00	205.50-197.5
Oct.	206.60-05.75	199.00-99.25	206.00-199.2
Jan.	205.60-06.00	197.00-98.50	205.50-197.0
March	205.55-05.75	199.25-99.50	205.50-200.0
May	205.25-05.50	199.60-99.80	205.50-202.0
Aug.	205.50-06.50	199.55-201.5	206.50-201.0

Sales: 7,217 (8,839) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £270.0 (£268.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for April 22: Daily price 17.47 (16.55); 15-day average 18.47 (19.00).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 126 tonnes, bringing the total for the week so far to 973 tonnes. Useful undercurrent demand continued, but business dwindled and buyers were a little more cautious. Follow-on purchases in various American type varieties were reported.

POTATOES

LONDON POTATO FUTURES—All values steady, but market generally quiet, reports Coley and Harper. Closing prices: Nov. 56.80, +0.3; Feb. 63.80, +0.3, (high 63.90, low 63.50); April 70.80, +0.1, (high 70.90, low 70.70). Turnover: 26 (43) lots of 40 tonnes.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kilo. May 354, 358, nil; Aug. 363, 366, 366-365; Oct. 365, 368, 367; Dec. 373, 376, 374; Jan. 376, 378, 378-377; Mar. 382, 384, 384; May 389, 391, nil; Aug. 394, 397, nil; Oct. 394, 398, nil. Sales: 13.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. May 496.0, 497.5, 498.5-496.0; July 498.1, 498.5, 500.0-498.0; Oct. 488.1, 488.5, 490.0-488.0; Dec. 493.1, 494.0, 494.5-493.0; Mar. 500.0, 501.5, 501.5-500.0; May 505.0, 506.0, 507.5-505.0; July 508.0, 509.0, 510.0-510.0; Oct. 508.0, 510.0, nil. Sales: 193.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on April 23. GB—Cattle 91.28p per kg lw (−0.42). UK—Sheep 180.11p per kg est dcw (+4.34). GB—Pigs 72.07p per kg lw (−0.51).

SMITHFIELD—Pence per pound: Beef: Scotch killed sides 75.8 to 79.1. Veal: Dutch hinds and ends 116.0 to 124.0. Lamb: English small new season 90.0 to 98.0; Imported frozen—New Zealand PL 64.0 to 65.0, PM 62.0 to 63.0. Hoggets: English 70.0 to 79.0; Scotch: 70.0 to 78.0; Ulster 64.0 to 76.0. Pork: English, under 100 lb 46.0 to 51.0, 100-120 lb 44.0 to 50.0, 120-160 lb 41.5 to 48.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Jaffa: V Lates 50/189 4.30-4.85; Cyprus: V. Lates 80/120 3.20-3.50; Moroccan: Lates 64/113 3.80-4.00. Lemons—Spania: Traya 25/54 1.50-2.00; Cyprus: 10-kg 4.00-4.40; Californian: 115/140 6.20; Italian: 100/120 4.00; S. African: 80/100 5.80; Jaffa: 5.80. Grapefruit—Cyprus: 20-kg 40/64 3.60-4.00; Jaffa: 20-kg 36/75 3.85-4.85. Topaz—Jaffa: 2 2lb 40/80 4.00-4.50. Apples—S. African: Granny Smiths 8.50, Golden Delicious 7.50-8.80, Starking 6.80-7.20; Chilean: Granny Smith 7.20-7.40; Canadian: Red Delicious 135/150 7.50-8.50; U.S.: Red Delicious 8.50-10.00; French: Stark Crimson 40 lb 5.00-6.20; Golden Delicious 40 lb 125/175 4.00-5.00; 20 lb 72 2.50, 84 2.00; Italian: 40 lb Romes 60/70 4.60-4.80; New Zealand: Cox's Orange Pippins 150/180 10.00-10.50. ...Pears—Belgium: Conference per pound 10.12; Italian: Passacrassena 0.12-0.14; S. African: Packhams 6.50-7.50, Nelis 5.80, Jose 7.60, Beurre Bosc 5.50; Australian: Williams Bon Chretien 40 lb 8.20. Grapes—S. African: 9 lb Barlinka 3.80; Chilean: 10 lb Thompson 7.50. Melons—Chilean: 15 lb 6/13 10.00-12.00.

English Produce: Potatoes—Per bag 2.00-3.20. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramleys 0.06-0.14, Laxtons 0.80-0.12, Cox's Orange Pippins 0.16-0.24. Cabbages—Per bag 1.20, White cabbages 3.50. Beetroots—Per bag 1.60-1.80. Lettuce—Per 12, round 0.60-0.80 Cos x 10/12 1.20-1.50. Tomatoes—Per 12 lb English, per pound D 0.50, E 0.45. Cucumbers—Per 12/18 1.50-1.60. Leeks—Per 10 lb 1.80. Rhubarb—Per pound, outdoor 0.80-0.09. Carrots—Per 28 lb 2.80-3.20. Onions—Per bag 4.00-4.80. Swedes—Per 28-lb Devon 0.80-1.00. Parsnips—Per 28-lb 2.00-2.40. Turnips—Per 28-lb 1.20-1.60. Cauliflowers—Per 28-lb Kent 2.40-3.00, Lincoln 1.20-1.50. Radishes—Per pack of 12 x 8oz 1.20, bunches of 12 1.20.

PRICE CHANGES

	Apr. 23 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	......	£819/815
Free Mkt	$1350/1380	-10	$1470/500
Copper			
Cash w'bar	£838.5	-3.75	£839.75
3 mths.	£860.25	-3	£862.25
Cash Cathode	£830.5	-6	£833
3 mths.	£848.25	-4.25	£849.5
Gold troy oz.	$491.5	-9	$539.5
Lead Cash	£351.25	-5.25	£326.55
3 mths.	£358.75	-6	£333.7
Nickel	£3,379.58	......	£3,358.85
Freemkt.	290/305c	......	275/300c
Platin'mtr'y oz	£213.5	......	£213.5
Freemkt.	£219.95	-2.55	£237.90
Quicksilver†	$420/430	......	$415/450
Silver troy oz.	520.40p	-11.25	571.30p
3 mths.	536.10p	-11.40	588.15p
Tin Cash	£5,960	-35	£6,145
3 mths.	£6,057.5	-10	£6,287.5
Tungsten 22.04 lb	$147.54	......	$146.23
Wolfrm 22.04 lb	$144½/147½	......	$149/52.5
Zinc Cash	£382.25	-5.75	£342.5
3 mths.	£393.25	-5.5	£351.5
Producers	$875	......	$825
Oils			
Coconut (Phil)	$575.0w	+5	$570
Groundnut	‡	......	‡
Linseed Crude	£405	......	£408
Palm Malayan	$587.5x	+2.5	$595
Seeds			
Copra Philip	$385	+5	$380
Soyabean (U.S.)	$323.5v	-1	$318.5
Grains			
Barley Fut. Sep	95.90	+0.55	‡
Maize			
French	‡	......	£123
Wheat			
No 1 Red Spg.	‡	......	‡
No2 HardWint	£108.0v	......	£102.5
Eng. Millingt	‡	......	‡
Other commodities			
Cocoa ship't	£1,072	......	£1,033
Future July	£976.5	......	£937.5
CoffeeF't July	£1065.5	-3	£1051
Cotton A.Index	88.05c	......	90.90c
Rubber (kilo)	54.5p	+0.25	53.5p
Sugar (Raw)	£193ux	......	£241
Woolt'ps 64s kl.	328p kilo	+3	315p kilo

‡ Unquoted. u May-June. x June. w April-May. v May. † Per 45-lb flask.

AMERICAN MARKETS

Wednesday's closing prices

NEW YORK, April 22.

THE LIVESTOCK complex finished sharply lower under the pressure of continued heavy marketings. The precious metals found support from technical factors and firmer currencies but were unable to hold their gains. Sugar was strong on reports of Mexican buying and hedge lifting. Cotton was lower on continued liquidation in old-crop months and forecast of moisture. Grains and soyabeans sold off on the close as more moisture moved into the grain belt, reported Heinold.

††Cocoa—May 1968 (1955), July 2049 (2035), Sept. 2107, Dec. 2165, March 2205, May 2250, July 2285, Sept. 2320. Sales: 1,392.

Coffee—"C" Contract: May 126.40 (126.54), July 125.80-126.00 (126.04), Sept. 125.01-125.20, Dec. 121.70-122.00, March 119.00-119.50, May 119.40-119.50, July 119.25-119.75, Sept. 118.25. Sales: 1,596.

Copper—April 82.35 (82.35), May 82.60-82.70 (82.70), June 83.90, July 85.20-85.25, Sept. 87.65-87.80, Dec. 91.40, Jan. 92.55, March 94.90-95.30, May 97.10, July 99.25, Sept. 101.40, Dec. 104.55, Jan. 105.60. Sales: 8,500.

Cotton—No. 2: May 84.40-84.60 (85.25), July 86.05-86.20 (86.68), Oct. 84.11-84.20, Dec. 81.85, March 82.80-83.10, May 83.60-84.00, July 84.80-85.50, Oct. 84.50-85.25. Sales: 6,000.

*Gold—April 489.0 (489.9), May 490.0 (491.5), June 495.0-496.5, August 508.0-509.0, Oct. 520.0, Dec. 532.5-535.0, Feb. 546.0, April 558.5, June 572.8, August 585.9, Oct. 599.1, Dec. 612.6, Feb. 626.3. Sales: 47,000.

Heating oil (cents per U.S. gallon)—May 0.9445 (0.9470), June 0.9461 (0.9464), July 0.9506, August 0.9628, Sept. 0.9806, Oct. 1.000, Nov. 1.0160, Dec. 1.0371, Jan. 1.0550, Feb. 1.0725, March 1.0925, April 1.0900, May 1.0950.

Orange Juice—May 140.00-140.10 (140.05), July 144.30-144.50 (144.40), Sept. 145.60 Nov. 145.00-145.40, Jan. 145.25, March 145.85-146.25, May 146.55-147.00 July 147.30-147.70, Sept. 148.05-148.50.

*Platinum—April 476.0 (79.7), May Nil (Nil), June Nil, July 485.5-486.0, Oct. 503.0, Jan. 522.0, April 540.5. Sales: 1,942.

Potatoes (round whites)—Nov. 75.9 (74.8), Feb. 84.0-85.5 (83.5), March 87.5-88.5, April 102.9. Sales: 106.

¶Silver—April 1133.5 (1150.0), May 1135.0-1140.0 (1154.0), June 1151.5, July 1165.0-1173.0, Sept. 1200.0, Dec. 1253.0, Jan. 1265.0, March 1297.5, May 1330.0, July 1362.5, Sept. 1395.0, Dec. 1444.0. Handy and Harmon bullion spot: 1158.00 (1141.00). Sales: 4,479.

Sugar—No. 11: May 17.55-17.60 (17.24), July 17.95-18.00 (17.76), Sept. 18.20, Oct. 18.20-18.30, Jan. 18.30-18.40, March 18.40, May 18.45-18.50, July 18.60, Sept. 18.65-18.70.

Tin—610.00-615.00 (608.00-615.00).

CHICAGO, April 22.

Chicago 1mm Gold—April 488.0 (490.1), May Nil (Nil), July 501.8, Sept. 514.5-515.0, Oct. 520.8, Dec. 533.5, Jan. 539.9, March 552.8, April 559.3.

Lard—Chicago loose 19.625 (19.50).

Live Cattle—June 70.80-70.87 (71.40), Aug. 69.77-69.80 (70.50), Oct. 68.15-68.25, Dec. 69.20-69.00, Feb. 70.10, April 70.70.

Live Hogs—June 49.05-48.95 (50.30), July 51.95-51.95 (53.45), Aug. 52.45-52.35, Oct. 52.25-52.30, Dec. 55.00, Feb 56.70, April 56.10-55.85, June 57.37.

‡‡Maize—May 367-367¼ (368), July 377-377½ (378¼), Sept. 381½-381, Dec. 381½-382 March 392½-392¾, May 398.

Pork Bellies—May 58.17-58.17 (60.17), July 59.25 (61.25), Aug. 58.77, Feb. 71.55, March 72.00, May 73.25-72.65, July 73.95.

†Soyabeans—May 780-781 (786½), July 804-805½ (811¼), Aug. 814, Sept. 821, Nov. 836½-836, Jan. 855½-856, March 878-879, May 893½.

‖Soyabean Meal—May 224.0-224.2 (225.4), July 231.5-231.7 (233.8), Aug. 234.5-234.8, Sept. 236.5, Oct. 241.0-240.0, Dec. 244.0-244.2, Jan. 246.0-247.0, March 252.5-253.0, May 254.0-256.0.

Soyabean Oil — May 24.28-24.30 (24.39), July 25.10-25.12 (25.20), Aug. 25.50, Sept. 25.80, Oct. 26.10-26.12, Dec. 26.65-26.70, Jan. 26.80, March 27.50-27.60, May 27.90-28.00, July 28.30-28.40.

†Wheat—May 445¾-445 (445½), July 450½-451½ (452), Sept. 466½-467½, Dec. 490½-491, March 511, May 521.

WINNIPEG, April 22.

§Barley—May 147.50 (150.40), July 150.20-150.30 (152.40), Oct. 149.50, Dec. 149.80 March 150.00.

§Wheat—SCRWS 13.5 per cent protein content cif St. Lawrence 265.27 (264.72).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, April 23.

Wheat—U.S. Two Dark Hard Winter 13.5 per cent May $220, June $216, July $215. U.S. No Two Red Winter June $202, June/July $200, July $198. U.S. No Two Northern Spring 14 per cent May/June/July/Aug. $216, Sept. $218, Oct. $222.50, Nov. $224.

Maize—U.S. No Three Corn Yellow afloat $169, April $170, May $168.50, June $171, July $173 sellers traded, Aug. $175, Sept. $176, Oct./Dec. $176, Jan./March $186.

Soyabeans—U.S. Two Yellow Gulfports May $317.50, June $319, July $322.50, Aug. $325.50, Sept. $328.75, Oct. $332.50, Nov. $337.50, Dec. $339.75, Jan. $344, Feb. $352.50, Mar. $355. Argentine June $315.50, July $316.50.

Soyameal—44 per cent protein U.S. afloat $283/281/281.50/279.35, April $278/278.50/279/280, May $279/280/280.50/279.50, April/May $277.50/278/280, June $280/280.50/281/282, April/Sept. $285.50 traded, afloat $282, April $280, May $280.50, April/Sept. $285, Nov./Mar. $304.50 sellers, Brazil Pellets April/May $288.50, May $288.50/289 traded, afloat $296, May $290, June $292, April/Sept. $293.50 sellers.

PARIS, April 23.

Cocoa—(FFr per 100 kilos): May 1070/1090, July 1090/1120, Sept. 1121/1134, Dec. 1136/1144, Mar. 1160/1180, May 1180/1190. Sales at call: nil.

Sugar—(FFr per tonne): July 2400/2450, Aug. 2400/2405, Oct. 2370/2375, Nov. 2360/2380, Dec. 2350/2360, Mar. 2370/2375, May 2375/2385, July 2370/2395. Sales at call: 14.

INDICES

FINANCIAL TIMES

April 22	April 21	Month ago	Year ago
262.19	261.69	259.93	278.74

(Base: July 1, 1952=100).

MOODY'S

April 22	April 21	Month ago	Year ago
1117.8	1111.7	1165.9	1117.5

(December 31, 1931=100)

DOW JONES

Dow Jones	April 22	April 21	Month ago	Year ago
Spot	409.71	407.88	426.24	416.97
Fut'rs	421.50	420.28	434.88	429.37

(Average 1924-25-26=100).

REUTERS

April 23	April 22	M'nth ago	Year ago
1697.0	1697.1	1701.0	1686.9

(Base: September 18, 1931=100)

★

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.0-£5.20, codlings £2.20-£3.70. Large haddock £3.80-£4.60, medium £2.80-£3.80, small £1.60-£2.50. Large plaice £4.00-£4.70, medium £3.40-£4.00, best small £2.40-4.20. Skinned dogfish (medium) £6.00-£8.00. Lemon soles (large) £7.00, (medium) £6.00. Saithe £1.80-£2.40.

COMPANY NOTICES

KLEINWORT BENSON (JAPAN) FUND

Société Anonyme
Luxembourg, 37, rue Notre-Dame
R.C. Luxembourg B 8.528

Dividend Notice

Notice is hereby given that, pursuant to a resolution of the Annual General Meeting of Shareholders held on April 8th 1981 a dividend of US$ 0.35 has been declared payable as of May 5th 1981 to holders of shares outstanding on that date, against surrender of coupon nr. 10.

Paying Agents: Kredietbank S.A. Luxembourgeoise,
43, Boulevard Royal,
Luxembourg.

Kleinwort Benson Limited,
20, Fenchurch Street,
London EC3P 3DB.

By order of the Board
The Secretary

Technical reaction lowers equity leaders before late rally leaves index unchanged—numerous features

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr. 10	Apr. 29	Apr. 30	May 11
May 1	May 14	May 15	May 26
May 18	May 28	May 29	June 8

* "New time" dealings may take place from 9 am two business days earlier.

Leading equities turned easier yesterday after the recent rapid advance but bounced back in the late trade to leave the FT Industrial Ordinary share index unchanged on balance at 584.3 after having shown a fall of 6.8 at noon. Many secondary issues remained firm throughout the session and the FT Actuaries three main indices all edged forward to record highs.

The technical reaction among the leaders was not unexpected in view of the temptation facing potential profit-takers after the upsurge since the current trading Account started two weeks ago; it ends next Thursday.

Yesterday's selling was of modest proportions and dealers welcomed the opportunity to help balance some unsatisfactory book positions. Institutional operators appeared to have fulfilled immediate buying needs, but reduced enthusiasm for recovery stocks was replaced by a lively interest for companies reporting trading statements.

Foremost among these was **Vickers**, up sharply following annual profits well above market estimates, and **Tube Investments**, which wilted badly owing to the forecast of a substantial first-half loss by subsidiary British Aluminium. **Rowntree Mackintosh** provided another weak spot, sentiment here being affected by the proposal to raise £42m by way of a rights issue.

The dominant feature in the Banking sector was **Standard and Chartered's** increased bid for **Royal Bank of Scotland**.

British Funds lacked support after the recent firm spell and longer maturities drifted easier in thin trading; closing falls rarely exceeded ¼ with the exception of Treasury 12¾ per cent 1992 which lost ⅜ to 97⅜.

The shorts, meanwhile, opened a shade harder and looked set to hold before quotations slipped to end a touch down on balance.

Among recently-issued Fixed Interest stocks, revived investment demand took **City of Swansea** 13¾ per cent 2006 (£25-paid) up ½ to the highest yet of 26½.

Traded options attracted 2,065 deals with particular attention being paid to the July series. **Grand Metropolitan** recorded 549 trades, nearly a half of which were struck in the July 180's. **ICI** and **Marks and Spencer** attracted 414 and 306 deals respectively.

British Aerospace rose 9 to a new peak of 238p on news of the £90m deal to sell 18 Hawk trainer aircraft to Abu Dhabi.

Royal Bank of Scotland up

The fresh development in the **Royal Bank of Scotland** bid situation provided the main interest in the banking sector. RBS were marked up from the overnight level of 174p to 195p on the increased cash and shares bid terms, worth about 214p per share, from **Standard Chartered** before closing a net 8 up on the day at 182p: Standard fell to 605p and ended a net 15 off at 623p on the announcement. Meanwhile, **Hongkong and Shanghai**, which made an offer worth 203p for each RBS share, hardened a penny to 127p. Elsewhere, merchant banks were featured by a rise of 7 to 117p in **Guinness Peat**. Firm recently on news of the possible sale by S. G. Warburg of its metal trade subsidiary — Brandeis Goldschmidt—to Pechiney Ugine Kuhlmann, **Mercury Securities** rose 3 afresh to 248p. The major clearers made modest progress with **NatWest** closing 3 better at 388p following the annual report. **Bank of Ireland** improved 5 more at 310p.

Insurances drifted lower on sporadic offerings and lack of fresh support. **Sun Alliance** gave up 8 to 836p and **Royal** dipped 5 to 378p. **C. E. Heath**, at 258p, lost 4 of the previous day's rise of 10, while **Willis Faber** shed 5 at 335p. **Pearl** cheapened 6 to 458p.

Secondary issues provided the main points in Buildings. **Travis and Arnold** advanced 12 to 190p on the better-than-expected annual profits, while **A. Monk** gained 6 to 47p on revived speculative interest. **Y. J. Lovell**, however, dropped to 234p before rallying to close just 4 cheaper on balance at 242p; 2.6m shares, representing nearly 38 per cent of the company's equity, were placed with institutional investors at approximately 220p. Profit-taking clipped 3 from **Heywood Williams**, 35p, and 5 from **Marchwiel**, 140p.

Up 10 on Wednesday in the wake of the chairman's cautiously optimistic remarks at the annual meeting, **ICI** slipped to 292p before moving ahead again in the late dealings to close 2 dearer on balance at 298p. **Laporte**, a good market recently ahead of the preliminary results, improved 3 to 112p on profits much in line with market estimates.

Owen Owen buoyant

Standing a couple of pence easier for most of the session, leading Stores attracted good quality support in the later trading and closed at the day's best. **British Home**, down to 159p earlier, rallied to close 3 better on balance at 165p. **Burton**, 144p, and **Mothercare**, 238p, added 2 apiece. **John Menzies**, which announced pleasing annual results on Wednesday, were additionally helped by a broker's recommendation and rose 13 for a two-day gain of 55 at 395p. **Martin** added 8 more to 260p. **Combined English** rose 5 to 47p following better-than-expected full-year earnings and the company's confidence in the outlook. Annual results from **Bentalls** also pleased and the close was 4 higher at 49p while **S. Casket** put on the same amount, at 34p, in response to the increased first-half profits. **Owen Owen** spurted 47 to 215p, after 220p, following the property valuation which accompanied the preliminary results: **Elys (Wimbledon)**, 264p, and **Grant Brothers**, 133p, in which Owen Owen holds 30 per cent and 14.2 per cent respectively, both improved 14.

Trending easier initially, leading Electricals picked up to finish only marginally lower on balance. **GEC** ended a shade off at 704p, after 695p, and **Plessey** closed only a penny easier at 334p, after 329p. **Racal** were briskly traded and ended a shade dearer at 388p. Secondary issues presented a mixed appearance; firm spots included **Electrocomponents**, 20 higher at 770p, and **Kode**, 10 dearer at 340p.

Vickers responded to the better-than-expected preliminary results with a jump of 21 to 210p. In marked contrast, **British Aluminium** fell to 110p before settling 9 lower on balance at 113p following the forecast of a substantial first-half loss by the chairman at the annual meeting and, in sympathy, **Tubes** closed 14 down at 226p, after 222p. The good annual results and proposed one-for-one scrip issue left **Haden Carrier** 30 higher at 340p, but disappointing interim figures caused a reaction of 5 to 122p in **McKechnie**, while **Richardsons Westgarth**, down 2 further at 35p, continued to reflect the reduced dividend and annual profits. **Babcock** encountered further support and put on 4 to 140p, while buying interest was also shown in **GEI International**, 5 dearer at 86p. Other bright spots included **Westland**, 5 higher at 151p and **Hall Engineering**, up 4 more at 207p.

Rowntree Mackintosh lost 16 to 182p on the proposed £42m rights issue and annual results. **British Sugar**, down 13 on Wednesday on disappointment with S. and W. Berisford's renewed bid of 285p per share, rallied 9 to 311p in expectations of an increase offer. Elsewhere in Foods, **Kwik Save** came in for support and firmed 7 to 230p. **William Low**, however, shed 9 to 164p on the disappointing interim results.

De Vere Hotels advanced 18 to 262p, the asset revaluation outweighing the lower annual profits. **Brent Walker** firmed 4 to 78p on revived speculative interest.

Smiths Inds. good

Miscellaneous industrial leaders drifted lower as buyers withdrew. Profit-taking prompted a reaction of 8 to 288p in **Bowater**, while **BOC International** relinquished 4 to 150p, after 148p, and **Turner and Newall** cheapened a similar amount to 112p, after 111p. Elsewhere, renewed investment support lifted **Smiths Industries** a further 14 to 389p, while **Foseco Minsep** stood out with a rise of 13 at 223p. Reflecting business transacted overnight, **Hoover A** opened higher and closed with an overall gain of 10 at 145p, while improvements of around 6 were seen in **Johnson Matthey**, 273p, **MY Dart**, 48, **Morgan Crucible**, 145p, **Redfearn National Glass**, 196p and **Scapa**, 135p. **Biddle** rose 6 more to 132p on further consideration of the annual results and **William Baird** improved a like amount to 242p following comment on the company's figures. Details of the proposed £2.1m rights issue which accompanied the preliminary results left **Electrical and Industrial Securities** a penny dearer at 117p, after 119p, while **Hirst and Mallinson** edged forward a penny to 31p on the bid terms offered by Associated British Engineering, unaltered at 25½p. **Huntleigh** touched 160p on news of the increased dividend and profits but eased on profit-taking to finish a net 2 off at 148p.

Dunlop fell to 68p following the preliminary results and the announcement of the decision to end the 10-year-old union with Pirelli, but rallied in the late trade and settled only a net penny down at 71p. Elsewhere in Components, **Flight Refuelling** succumbed to profit-taking after the full-year results and shed 5 to 375p. Among Distributors, **Harold Perry** rose 3 to 98p, after 100p, on the annual results.

Better in places at the outset, leading Properties drifted lower in the absence of follow-through support and usually closed with modest falls on balance. Elsewhere, **Thames Investment** gained 16 to 218p and **R. Green** 4 to 93p on speculative interest. **Rush and Tompkins** shed 3 to 237p following the annual loss. **London Shop Property**, a good market of late on hopes that McLeod Russel might launch a bid, shed 4 to 134p.

BP took a decided turn for the better in the after-hours' dealings and closed 8 dearer at 390p, after having been down to 376p, the late improvement being encouraged by a favourable Beaufort Sea drilling report from Sohio. Other Oils rallied in sympathy, **Shell** closing 6 better at 388p, after 376p, with the aid of overseas demand. **Lasmo** finished 5 to the good at 540p, after 525p, while **Ultramar** touched 445p before settling 7 lower on balance at 450p.

Boustead, a volatile market since Tuesday's annual results, encountered further selling and fell 14 to 144p. **Tozer Kemsley**, on the other hand, rallied a penny to 52p. Renewed support lifted **Gill and Duffus** 5 to 217p, but **Steel Brothers** shed that much to 170p, the latter following the annual results.

Rothmans remained active following the Philip Morris/Rembrandt deal, falling to 64p during the morning before recovering to the overnight level of 69½p. **Bats** attracted institutional buying and jumped 13 to 311p.

Golds lose ground

The five-day advance by South African Golds came to an abrupt halt as the bullion price dipped below the $500 an ounce level to close $9 lower at $491.50.

The sharemarket opened a shade easier, reflecting the failure of the metal price to hold above $500 in overnight American markets. Thereafter, share prices weakened with persistent U.S. selling in evidence in the after-hours' trade. The Gold Mines index dropped 14.9 to 353.5.

The Anglo American group's Orange Free State mines, which announce interim dividends this morning, all came under pressure with losses of a point and more common to **Free State Geduld**, £23½, **Western Holdings**, £33⅞, and **President Steyn**, £18⅝, while **President Brand** gave up ⅝ to £20½ and **Welkom** 10 to 770p.

Ergo, due to declare a final dividend this morning, closed a net 12 lower at 435p, after 448p.

Elsewhere in Golds, **Hartebeest** dropped £1½ to £30 and **West Rand Consolidated** 10 to 151p—the latter following the losses, before State Assistance, in the March quarter.

Notable exceptions in South Africans were the Coal stocks, among which "**Amcoal**" advanced ¼ to a 1981 high of £16¼ and **Transvaal Consolidated Land** put on ½ to £25.

Australians drifted lower in idle trading. The Rundle twins continued to lose ground with **Central Pacific** 13 down at a 1981 low of 97p and **Southern Pacific** 5 cheaper at 43p.

FINANCIAL TIMES STOCK INDICES

	Apr. 23	Apr. 22	Apr. 21	Apr. 16	Apr. 15	Apr. 14	Year ago
Government Secs.	69.46	69.60	69.44	69.23	69.23	69.26	66.48
Fixed Interest	71.22	71.20	71.15	71.16	71.13	71.10	67.11
Industrial Ord.	584.3	584.3	566.1	568.5	549.1	548.8	434.8
Gold Mines	353.5	368.4	358.9	353.8	342.9	341.4	302.1
Ord. Div. Yield	5.62	5.65	5.81	5.78	5.98	5.97	8.09
Earnings, Yld. %(full)	11.02	11.05	11.34	11.28	11.62	11.61	19.80
P/E Ratio (net) (*)	11.35	11.35	11.04	11.09	10.78	10.79	6.11
Total bargains	28,268	25,558	22,920	21,400	21,074	22,750	17,701
Equity turnover £m.	—	161.46	134.93	159.14	120.98	117.07	98.14
Equity bargains	—	20,921	18,296	17,053	14,399	15,519	15,322

10 am 583.4. 11 am 578.5. Noon 577.5. 1 pm 577.5. 2 pm 578.5. 3 pm 579.3.

Latest Index 01-246 8026.

*Nil=10.52.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	68.05 (18/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (28/3)	69.98 (16/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord.	584.3 (22/4)	446.0 (14/1)	584.3 (22/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (28/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 22	Apr. 21
—Daily Gilt Edged Bargains	155.6	176.1
Equities Bargains	136.6	118.5
Value	326.3	272.7
5-day Avrge. Gilt Edged Bargains	185.2	188.3
Equities Bargains	111.7	108.6
Value	280.4	271.1

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (317)

CORPORATION LOANS (1)
LOANS (3)
AMERICANS (11)
BANKS (4)
BEERS (5)
BUILDINGS (16)
CHEMICALS (4)
DRAPERY AND STORES (23)
ELECTRICALS (15)
ENGINEERING (27)
FOODS (11)
HOTELS (3)
INDUSTRIALS (54)
INSURANCE (2)
LEISURE (6)
MOTORS (9)
NEWSPAPERS (2)
PAPER (6)
PROPERTY (7)
SHIPPING (2)
TEXTILES (11)
TOBACCOS (1)
TRUSTS (87)
OVERSEAS TRADERS (2)
MINES (5)

NEW LOWS (25)

AMERICANS (4)
Conoco, Tenneco, Shell Oil, Tenneco 10pc Ln.
CANADIANS (1)
Hawker Sidd. Canada
BANKS (1)
Standard Chart.
CHEMICALS (1)
Brit. Benzol
INDUSTRIALS (1)
Schlumberger
OIL AND GAS (13)
Basic Res. Int., LASMO Ops, Candecca, Moonie Oil, Collins (K.), New Court Nat., Floyd Oil, Sovereign Oil, Hansa Pet., Texaco 4¾pcCnv., Hunting Pet., Ultramar, LASMO
RUBBERS (1)
Rightwise
MINES (3)
Haoma Gold, Kamunting, Geevor

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	—	70	27
Corpns. Dom. and Foreign Bonds	18	—	49
Industrials	355	275	736
Financial & Props.	143	95	256
Oils	7	47	24
Plantations	—	11	12
Mines	71	22	73
Others	35	60	62
Totals	629	580	1,239

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bowater	268	−8	RTZ	470	−10
British Sugar	311	+9	Rothmans	69½	—
Dunlop	71	−1	Rowntree M.	182	−16
Owen Owen	215	+47	Royal Bank Scotland	182	+8
Racal Elec.	388	+1	Standard Chartered	623	−15
Rank Organisation	214	−2	Vickers	210	+21

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Wed.'s closing price pence	Day's change	Stock	No. of price changes	Wed.'s closing price pence	Day's change
Rothmans	24	69½	−7½	Turner & Nwl.	16	116	+9
HK S'hai 'New'	19	14pm	−9	Boustead	15	158	−2
Phicom	18	48	+7	Boots	14	247	+10
ICI	17	296	+10	Delta Group	14	58½	−3
Lucas Industs.	17	234	+13	GKN	14	180	+10
Brit. Aerospace	16	229	+15	Vickers	14	189	+11
Thorn EMI	16	416	+16	BOC Intl.	13	154	+12

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Apr. 21	May 1	July 23	Aug. 3
May 11	May 22	Aug. 6	Aug. 17
May 26	June 5	Aug. 26	Sept. 7

For rate indications see end of Share Information Service

Demand for Options increased sharply. Calls were taken out in **Royal Bank of Scotland**, **Rothmans International**, **ICI**, **GKN**, **Carrington Viyella**, **Dunlop**, **NCC**, **London Investment Trust**, **Premier Oil**, **Charterhouse Petroleum**, **Hawley Leisure**, **Charterhall**, **Granada**, **De La Rue**, **Boots**, **Royal Insurance**, **Suter Electrical**, **Costain**, **International Thomson**, **Brentnall Beard**, **BSG**, **Britannia Arrow**, **Burton**, **Unigate**, **GEC**, **Beecham** and **Grand Metropolitan**. Puts were completed in **Oxley Printing**, **Tate and Lyle** and **ICI**, while doubles were arranged in **Royal Bank of Scotland** and **P & O Deferred**.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FIXED INTEREST

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Craigmount Fixed Int. Mngrs. (Jersey)
P.O. Box 195, St. Helier, Jersey. 0534 27561
Gilt Fund (Jsy.) 96.8 96.9 ... -13.93
Valued weekly Wednesday.

DWS Deutsche Ges. F. Wertpapiersp
Gruneburgweg 113, 6000 Frankfurt
Investa DM32.50 34.00 +0.30 —

Delta Group
P.O. Box 3012, Nassau, Bahamas
Delt. Inv. April 17 $4.64 4.87 ... —

Deutscher Investment-Trust
Postfach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra DM16.93 17.35 +0.07 —
Int. Rentenfonds DM60.44 61.95 ... —

Dreyfus Intercontinental Inv. Fd.
P.O. Box N3712, Nassau, Bahamas.
NAV April 21 US$32.74 34.83 +0.57 ...

Emson & Dudley Tst. Mgt. Jrsy. Ltd.
P.O. Box 73, St. Helier, Jersey. 0534 73933
E.D.I.C.T. 161.4 173.0 ... 2.20

The English Association
4 Fore Street, EC2. 01-588 7081
E. A. Income Fund* 66.2 70.5 ... 7.09
E. A. Sterling* 68.08 68.12 ... —
E. A. Equity* 71.27 75.82 ... 1.65

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381
HS Channel Is. Fd. 149.5 159.4 ... 3.25
H.S. Fixed Int. Fd. 94.0 99.0 ... 12.50
Box 2622, Berne, Switzerland. Telex 33425.
H.S. Overseas Fd. US$25.65 26.68 +0.11 —

Rothschild Asset Management (C.I.)
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331
O.C. America Fd.† US$2.80 2.97 ... 0.57
OCSm. Co.** 114.5 121.3 ... 2.72
O.C. Commodity* 94.4 100.4 ... 7.17
O.C. Dir. Comdty.† US$44.43 47.26 -2.10 1.56

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	59.5	64.0	−0.3	2.27
Abbey Capital	52.5	56.8xd	−0.2	3.87
Abbey General	60.3	65.2	−0.1	4.71
Abbey Gilt & F.I. Tst.	106.6	112.2xd	.....	11.68
Abbey Income	39.7	42.9xd	+0.2	8.18
Abbey W'w.Bd.Tst.	95.4	101.0	−0.1	6.63
Abbey Inv. Tst. Fd.	54.4	58.8	+0.5	4.08
Equitas Prog. Tst.	86.7	93.7	−0.4	4.36

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt Trust	86.9	91.4	−0.3	12.65

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	97.3	104.1	−0.1	5.38
Brit. Inds. Fund	84.4	90.3	.....	5.65
Growth & Income	55.4	59.3	−0.2	4.55
Elect. & Ind. Dev.	48.5	51.9xd	−0.1	4.82
Allied Capital	103.2	110.4xd	−0.3	3.99
Hambro Fund	143.0	153.0	−0.2	5.43
Hambro Acc. Fund	194.9	208.5	−0.6	4.36
Income Funds				
High Yield Fd.	73.1	78.2	+1.0	7.67
High Income	86.7	92.8xd	−0.1	6.90
Equity Income Fd.	50.1	53.6	.....	6.83
Govt. Secs.	26.1	26.8	.....	11.57
International Funds				
International	36.7	39.3	−0.1	2.04
Japan Fund	25.7	27.5	.....	0.23
Pacific Fund	71.8	76.8	+0.1	1.07
Secs. Of America	79.6	85.2	−0.5	1.88
Specialist Funds				
Smaller Co.'s Fd.	61.6	65.9	+0.3	3.95
2nd Smlr. Co's Fd.	74.2	79.4xd	.....	3.80
Recovery Sits.	150.4	160.9xd	+0.9	4.72
Met. Min. & C'dty.	68.8	73.6xd	−0.9	4.99
Overseas Earnings	74.4	79.6	−0.5	4.64
Exempt Funds				
Income Exempt	56.7	59.5	+0.9	7.14
Far East Exempt	75.5	78.5	−0.2	0.96
Smaller Co. Exempt	97.6	102.5xd	+0.4	3.90
U.S.A. Exempt	133.1	138.4xd	.....	2.24

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	72.7	77.9xd	.....	3.19

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931

Inc. Monthly Fund	154.0	164.0	.....	12.00
Leics.&Gen.Fd.	53.5	56.5	.....	—

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London, E1 7HP. 01-247 8827

Wieler Gwth Fd. Inc.	40.8	43.0	.....	3.35
Do. Accum.	52.0	54.7	.....	3.35

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital†	36.4	38.9	.....	—
Commodity***	94.6	101.2	−0.1	2.57
(Accumulation)	148.0	158.3	−0.2	2.57
(10% Withdrawal)	71.4	76.3	−0.2	2.57
Eastern & Internatl.†	46.6	50.2	.....	1.00
(6% Withdrawal)	31.9	34.4	.....	1.00
Extra Income	99.9	107.5	+0.5	9.17
(Accumulation)	119.4	128.4	+0.6	9.17
Finance & Property*	28.1	30.3	.....	3.58
Foreign††	142.7	148.7	.....	1.00
Giants	50.2	53.7	+0.1	4.30
(Accumulation)	65.7	70.2	+0.1	4.30
Gilt & Fixed	43.1	45.2	.....	12.01
(Accumulation)	46.7	49.0	+0.1	12.01
Growth	45.5	48.6	+0.2	4.05
(Accumulation)	60.0	64.2	+0.4	4.05
High Income	38.6	41.3	.....	8.76
(Accumulation)	65.7	70.2	+0.1	8.76
(8½% Withdrawal)	51.3	54.8	+0.1	8.76
High Yield	45.3	48.8	−0.1	10.06
(Accumulation)	81.7	87.8	−0.1	10.06
North American††	39.1	42.1	−0.4	1.00
Preference	21.6	23.3xd	.....	13.79
(Accumulation)	43.9	47.3xd	.....	13.79
Smaller Companies	41.1	42.6	+0.2	3.20

Dealings: †Tues. *Wed. ††Thurs. ***Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	44.0	47.5	−0.2	0.53
Cres. Internat'l.	86.5	92.3	−0.5	1.69
Cres. High. Dist.	48.6	52.4	+0.2	9.07
Cres. Reserves	54.1	58.4	−0.1	5.02
Cres. Tokyo	34.9	37.6	+0.3	0.93

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.6	25.0xd	.....	8.70

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. April 9	252.6	269.4	.....	4.83

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	19.8	21.9	.....	6.45
Gt. Winchester O'seas	29.3	32.4	.....	3.26

For Emson and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	95.2	100.2xd	−0.2	4.33

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4891

American (z)	40.2	43.3	+0.2	0.57
Ameri. Spec. Sits. (z)	29.2	31.4	−0.1	0.38
Gilt + Fixed Int.	25.1	26.3xd	.....	11.99
Growth + Income	35.8	38.5	+0.1	6.22
Maximum Inc. Eq. Tst.	30.4	32.7	+0.3	8.26
Special Sits.	43.7	47.0	+0.1	1.62

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	41.3	44.4xd	.....	1.75
Accum. Units	51.2	55.1xd	.....	1.75
J. Finlay High Income	38.6	41.5xd	.....	9.25
Finlay Wld. Energy	17.9	19.2xd	−0.4	1.38
Accum. Units	23.1	24.8xd	−0.5	1.38
J. Finlay Fd. In. Tst.	41.1	44.2xd	.....	4.92
Accum. Units	53.3	57.3xd	.....	4.92

Prices on April 22. Next dealing April 29.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen.	87.2	93.2	.....	0.73
Am. T'around	81.0	86.6	+0.4	1.40
Capital Tst.	66.6	71.2xd	+0.6	4.66
(Accum. Units)	70.4	75.2	+0.6	4.66
Convertible & Gilt	58.0	52.6	+0.2	9.60
(Accum. Units)	50.0	52.6	+0.2	9.60
Extra Income Trust	57.8	61.8	+0.2	8.53
Income Tst.	46.2	49.2	+0.4	6.99
Int. Growth Fd.	69.0	73.6xd	+0.2	1.58
(Accum. Units)	74.2	79.2	+0.2	1.58

Robert Fraser Trust Mgt. Ltd.
28b Albemarle St., W.1. 01-493 3211

Robt. Fraser Ut. Tst.	87.1	93.7xd	.....	6.00

Friends' Provdt. Trust Mgrs. (a) (b) (c).
Pixham End, Dorking. 0306 5055

Friends Prov. Units	70.3	75.1	+0.3	3.89
Do. Accum.	101.1	108.1	+0.3	3.89

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital April 15	145.8	148.7xd	.....	4.71
Gross Inc. April 15	86.0	88.2	.....	10.88
High Yield April 15	98.9	104.3	.....	9.97

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16, Finsbury Circus, EC2M 7DJ. 01-628 8131

G.T. Cap. Income	163.6	175.9	.....	1.90
Do. Acc.	210.2	226.0	.....	1.90
G.T. Inc. Fd. Un.	225.2	242.2	.....	7.80
G.T. U.S. & Gen.	228.2	245.4	.....	1.30
GT Wld. Bd. Fd.	97.0	101.0	.....	5.90
G.T. Japan & Gen.	107.8	115.9	.....	1.40
♦Gt. Pens. Ex. Fd.	371.5	391.1	.....	1.60
G.T. Int'l. Fund	258.4	277.8	.....	1.80
G.T. Four Yds. Fd.	63.1	67.8	.....	6.20
G.T. Far East & Gen.	100.6	108.2	.....	1.20

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood (0277) 227300

G. & A.	47.2	50.4	−0.1	4.62

Gartmore Fund Managers♥ (a)(g)

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
99 9/16	97 7/16	Exch. 8¼pc 1981	99 9/16	+1/32	8.28	11.25
99⅜	97⅛	Exch. 9½pc 1981	99⅜	......	9.55	11.71
97⅞	93¾	Exch. 3pc 1981	97⅞	......	3.08	11.33
99 11/16	99⅛	Treas. Variable '81§§	99 11/16xd	......	13.45	12.35
100¼	99¾	Exch. 12¾pc 1981‡‡	100¼xd	......	12.66	11.41
97 13/16	95 13/16	Treas. 8½pc '80-82‡‡	97 13/16	......	8.69	11.62
95	91⅞	Treasury 3pc '82‡‡	94⅞	......	3.17	10.34
102 3/16	100 5/16	Treasury 14pc '82‡‡	101 15/16	......	13.73	11.58
99	98 3/16	Treas. Variable '82§§	99	......	11.91	12.67
95⅛	93 11/16	Treasury 8¼pc '82	95 11/16	−1/16	8.62	12.19
96 9/16	93 13/16	Exch. 9¾pc 1982	95 13/16	−1/16	9.65	12.31
94⅞	92⅝	Exch. 8¾pc 1983	94¾	−1/16	9.23	12.21
89¼	84⅞	Exch. 3pc 1983	88⅛	......	3.40	10.26
99⅜	97⅜	Treasury 12pc 1983‡‡	98 11/16	−1/16	12.14	12.68
98½	96¾	Treas. Variable '83§§	98½xd	......	13.48	12.70
94⅛	92¼	Treasury 9¾pc '83	93⅞	−1/16	9.85	12.45
101 15/16	100¼	Exch. 13½pc '83	101¼xd	−1/16	13.26	12.69
94⅛	92¼	Exch. 10pc 1983	93⅞	−1/16	10.65	12.78
87¼	84½	Funding 5½pc '82-84‡‡	86¾	......	6.34	11.25
96¾	94 7/16	Exch. 11¼pc 1984	96 7/16	−1/16	11.66	12.76
103 7/16	101 11/16	Exchequer 14pc. 1984	103¼xd	−1/16	13.56	12.72
80⅝	78½	Exch. 3pc 1984	79¾	−⅛	3.76	10.78
98⅝	96⅜	Treasury 12pc 1984	98 5/16	−1/16	12.20	12.59
107¾	104⅞	Treasury 15pc 1985	107⅛	−1/16	14.10	12.57
98⅜	96 13/16	Exch. 12pc Cnv. '85	98 3/16	−1/16	12.22	12.58
75¾	73¼	Treasury 3pc 1985	74⅞xd	......	4.00	10.79
15 1/16	14 11/16	Treas. 11½pc '85 (£15pd.)	14 13/16	......	11.93	12.62
98⅞	96 3/16	Exch. 12¼pc 1985	98 7/16xd	......	12.44	12.72
97⅛	93⅝	Exch. 11¾pc '86	96½	......	12.18	12.72

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
64	61¼	Agric. Mt. 5pc '59-89	64	......	7.98	12.34
29½	28¼	Met. Wtr. 3pc 'B'	29	......	10.48	12.73
114	98½	U.S.M.C. 9pc 1982	113	......	8.20	—
97½	92½	Do. without Warnts.	97½	+½	9.60	14.30

Financial

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
101½	99¼	FFI 14pc '83	100⅝	......	13.91	13.69
92	88½	FFI (UK Fn) 5½pc Db. '80-2.	92xd	......	6.02	12.42
83½	80	Do. 6¼pc Db. '81-84	83½	+½	7.76	13.25
93	86½	Do. 10½pc Uns Ln. '86	93	......	11.65	13.40
92	79¼	Do. 11pc Uns.Ln. '88	92	+½	12.40	13.20
92	86½	Do. 11¼pc Uns.Ln. '90	92	+½	13.30	14.10
94½	88½	Do. 12¼pc Un. Ln. 1992	92½xd	+½	13.51	13.85
64½	60	Do. 7¼pc A Deb. '89-92	64½	+¼	11.83	14.10
62	59	Do. 7¼pc A Deb. '91-94	61½xd	+½	11.78	13.55
72½	68	Do. 9pc 'A' '91-94	71¼xd	......	12.63	13.75
70	65	Do. 8⅞pc Ln. '92-97	67	+½	13.69	14.45

FOREIGN BONDS & RAILS

1981 High	1981 Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
62½	58	Antofagasta Rly.	58	......	—	—
55	55	Do. 5pc Pref.	55	......	—	—
98	98	Chilean Mixed	98	......	3	13.10
28	20	Chinese 4½pc 1898	20	......	—	—
22	17	Do. 5pc 1912	17	......	—	—
18	11	Do. 5pc 1913	11	......	—	—
16	11	Do. 5pc '25 Boxer	11	......	—	—

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
40	32	Acmex 50c	40	......	Q2.5c	—	3.3
23	14	ACM 20c	18	−2	—	—	—
21	14	Argosy Gold NL 25c	17	+3	—	—	—
212	137	Bond Corp.	184	−12	Q7½c	1.9	2.1
102	76	Bougainville I Kina	87	+1	Q26.2c	1.8	15.6
302	214	CRA 50c	250	−6	Q19c	1.7	3.9
25	17½	Canada Northwest	20½	−½	—	—	—
35	17	Carr Boyd 20c	19	......	—	—	—
415	97	Central Pacific	97	−13	—	—	—
35	35	Cons. Gold Min. N.L. 50c	35	......	—	—	—
47	39	Cultus Pacific N.L.	40	−1	—	—	—
32	22	Eagle Corp. 10c	29	......	—	—	—
40	32	Endeavour 20c	34	......	—	—	—
500	310	G. M. Kalgoorlie 25c	375	−10	†Q13c	ϕ	1.8
25	13	Great Eastern	13	......	—	—	—
275	195	Hampton Areas 10p	196	+1	t2.5	2.4	1.8
168	80	Haoma Gold N.L.	80	−2	—	—	—
85	45	Intl. Mining	50	......	—	—	—
245	140	Kitchener NL 25c	160	......	—	—	—
105	45	Leichardt Expln.	55	......	—	—	—
430	275	Meekatharra	330	+10	—	—	—
70	49	Metals Ex. 50c	63	......	¶Q3c	2.9	2.5
36	20	Metramar Mns. 20c	35	−1	—	—	—
267	190	M.I.M. Hldgs. 50c	247	−1	‡tQ27.6c	1.7	‡
21	11½	Minefields Expl. 25c	12	......	—	—	—
108	83	Mount Lyell 25c	98	−2	ϕtQ15c	1.7	7.9
20	14	Newmetal 20c	14	......	—	—	—
69	41	Nickelore N.L.	55	+6	—	—	—
204	149	North B. Hill 50c	167	−1	Q18c	3.1	5.6
84	50	Nth. Kalgurli	63	−3	—	—	—
175	94	Nth. Mining Corp.	155	−10	—	—	—
122	50	N. West Mining N.L.	52	......	—	—	—
148	106	Oakbridge 50c	140	−4	‡Q12c	1.1	4.4
185	138	Oilmin N. L.	150	......	—	—	—
186	164	Pacific Copper	180	+4	—	—	—
605	475	Pancont'l 25c	540	−5	—	—	—
70	42	Paringa M&Ex 5p	61	−1	—	—	—
525	375	Peko-Wallsend 50c	495	−10	ϕQ22½c	ϕ	2.3
42	27	Pelsart Res NL	40	......	—	—	—
120	85	Seltrust A	110	−5	—	—	—
157	42	Southern Pacific	43	−5	—	—	—
72	43	Swan Resources 20c	43	......	—	—	—
18	11½	West Coast 25c	11½	......	—	—	—
300	227	Westn. Mining 50c	290	−4	Q14c	1.6	2.5
27	19	Westmex	21	......	—	—	—
76	50	Whim Creek 20c	54	......	—	—	—
101	73	York Resources	75	−2	—	—	—

Tins

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
16	10	Amal Nigeria 1p	11	......	‡t6.0	—	—
300	255	Ayer Hitam $M1	260	+5	‡Q205c	1.0	‡
67	54	Beralt Tin	59	......	4.5	3.2	10.9
155	128	Geevor	128	−2	‡8.4	1.9	‡
10	8	Gold & Base 12½p	10	......	—	—	—
660	570	Gopeng Cons.	570	......	‡30.0	1.8	‡
450	390	Hongkong	390	......	21.0	ϕ	7.7
125	115	Idris 10p	118	......	26.0	ϕ	7.3
15	13	Jantar 12½p	15	......	1.5	ϕ	14.3
98	86	Kamunting $M0.50	86	−1	‡Q30c	1.0	‡
775	545	Killinghall $M1	775	+5	Q100c	ϕ	2.5
114	88	Malay Dredging 10c	114#	......	ϕhQ38c	0.9	6.4
56	30	Pahang	56	+1	0.44	0.3	1.1
103	93	Pengkalen 10p	93	......	3.5	0.6	5.4
380	350	Petaling $M1	350	−10	Q180c	ϕ	9.9
25	19	South Crofty 10p	25	+1	‡1.0	ϕ	‡
225	200	Sungei Besi $M1	215	+10	‡Q480c	1.1	‡
155	95	Supreme Corp. $M1	155	......	gQ15½c	ϕ	1.9
118	116½	Tanjong 15p	117	......	21.5	ϕ	1.9
90	80	Tongkah H. Tin $Sm	80	......	Q23%	0.4	5.7
410	350	Tronoh $M1	360	......	‡Q250c	0.7	‡

Copper

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
295	165	Messina R0.50	285	......	Q45c	4.7	9.0

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	142	Anglo-Dominion	170	......	—	—	—
55	40	Barymin	44	......	—	—	—
19	14	Burma Mines 10p	19	+2½	0.75	0.9	5.6
315	180	Colby Res. Corp.	210	......	—	—	—
270	200	Cons. Murch. 10c	260	−10	tQ30c	1.8	6.6
98	75	††Hemerdon 10c	85	......	—	—	—
180	135	Highwood Res.	155	+5	—	—	—
400	300	Northgate C$1	365	......	—	—	—
487	372	R.T.Z.	470	−10	16.0	q3.1	5.0
£113	£93½	Do. 9¼%Cv.Ln.Ln. '95-2000	£113	......	Q9½%	—	f7.2
143	118	††SPO Minerals 10p	118	......	—	—	—
47	33	Sabina Inds. C$1	40	......	—	—	—
38	28	††SWCM 10p	35	+2	—	—	—
550	465	Tara Exptn. $1	500	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ✠ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a): not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ✦ Merger bid or reorganisation in progress.
- ✠ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ⁑ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ** Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	42	......	**IRISH**		
Sertam	14	......	Conv. 9% '80/82	£93⅝	−⅛
Bdg'wtr. Est. 50p	508	......	Nat. 9¾% 84/89	£75¼	......
Craig & Rose £1	£11¼	......	Fin. 13% 97/02	£80½	......
Fife Forge	58	......	Alliance Gas	75	......
Finlay Pkg. 5p	22	......	Arnott	250	......
Graig Ship £1	£20½	−½	Carroll (P.J.)	86	......
Higsons Brew	73	......	Concrete Prods.	94	......
Holt (Jos) 25p	425	+5	Helton (Hldgs.)	27	......
I.O.M. Stm. £1	158	......	Ins. Corp.	395	......
Pearce (C. H.)	965	......	Irish Ropes	53	+1
Peel Hldgs.	180	......	Jacob	47xd	......
Shell. Refrshmt.	107	......	T.M.G.	23	......
Sindall (Wm.)	170	......	Unidare	88	......

OPTIONS

3-month Call Rates

Industrials		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	15
BOC Intl.	11	"Imps"	7	Woolworths	5
B.S.R.	4½	I.C.L.	6		
Babcock	11	Ladbroke	30	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	8
Beecham	15	Lex Service	10	Cap. Counties	11
Blue Circle	35	Lloyds Bank	28	Land Secs.	37
Boots	20	"Lofs"	4½	MEPC	20
Bowaters	24	London Brick	7	Peachey	15
Brit. Aerospace	14	Lucas Inds.	18	Samuel Props.	13
B.A.T.	25	"Mams"	20	Town & City	2¼
Brown (J.)	7	Mrks. & Spncr	9		
Burton Ord.	12	Midland Bank	26	**Oils**	
Cadburys	7½	N.E.I.	7	Brit. Petroleum	36
Courtaulds	6	Nat. West. Bank	32	Burmah Oil	16
Debenhams	8	P & O Dfd.	13	Charterhall	9
Distillers	17	Plessey	30	KCA	22
Dunlop	7½	Racal Elect.	34	Premier	10
Eagle Star	22	R H.M.	5	Shell	34
F.N.F.C.	3½	Rank Org. Ord.	18	Tricentrol	30
Gen. Accident	30	Reed Intnl.	20	Ultramar	44
Gen. Electric	60	Sears	5		
Glaxo	28	Tesco	5½	**Mines**	
Grand Met.	14	Thorn EMI	30		
G U S. 'A'	44	Trust Houses	18	Charter Cons.	21
Guardian	32	Tube Invest.	18	Cons. Gold	45
G K N	16	Turner & Newall	10	Lonrho	9
Hawker Sidd	25	Unilever	50	Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Friday April 24 1981

Reagan to ease Soviet grain ban

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT REAGAN is ready to relax the 15-month U.S. grain embargo on the Soviet Union in recognition that military tensions in and around Poland have eased and to fulfill his campaign promise last year to American farmers.

Administration officials said an announcement could come today.

In his three months of office, the President has repeatedly stalled on his election pledge last year to scrap the partial ban on grain sales to the Soviet Union imposed by President Carter after the Soviet invasion of Afghanistan. Mr. Alexander Haig, his Secretary of State, persuaded him that to lift the ban would give the wrong impression to Moscow and the world while Warsaw Pact troops were massed around Poland's borders.

The recent easing of tension in the Polish situation has apparently prompted the Administration to adopt a compromise. This would phase out the embargo gradually, first permitting the Soviets to buy unrestricted amounts of wheat and soyabeans, but not corn or maize which, in fact, the Russians want to import most to feed livestock.

This would provide inducements for the Soviet Union to "behave" itself both in Poland and other potential flashpoints around the world. Administration officials have argued.

An immediate, though subsidiary, reason to reduce the grain embargo would be to speed the Administration's new farm price legislation through Congress. Senators and Congressmen from farm states have urged that Mr. Reagan's plan to cut Government support for farm prices should be accompanied by removal of the embargo which could well give prices a boost by bringing the Soviet market back into the fold.

Mr. Reagan has argued, before and since he took office, that the embargo hit U.S. farmers rather than the Soviet Government or consumer who have obtained supplies elsewhere. Mr. Carter blocked the sale of about 17m tons of grain, over and above the 8m guaranteed the Soviet Union under its five-year accord with the U.S. which runs out in September.

The embargo has made surprisingly little difference to the U.S. farmer and the Soviet consumer.

The U.S. found replacement markets, notably in Mexico and China. Its farm exports hit a record last year. The Soviet Union found replacement suppliers. Most notably Argentina, whose exports rose from a previous high of 3.2m tonnes of grain in 1977-8 to 10-12m tonnes in 1980.

The U.S. farm lobby, which has considerable influence on Capitol Hill, says its biggest fear from a continued embargo is that it would stimulate grain production and exports by other countries which would step up competition for the U.S. farmer.

John Edwards, Commodities Editor, writes: European grain markets reacted cautiously to the news. Prices on the London grain futures markets were marginally higher, mainly because the end of the embargo had been largely discounted.

However, physical grain markets were firmer on expectations that the end of the embargo would allow the EEC to increase exports of surplus grain to the Soviet Union. France, for example, recently had a request to sell 600,000 tonnes of wheat to Russia turned down by the European Commission because of the Community's commitment to back the U.S.

Considerably larger quantities could probably be sold by the EEC to the Soviet Union which would prefer to buy from Europe. On the other hand, the higher prices being obtained for increased sales to Eastern European countries, which are viewed as an indirect source of supply to the Soviet Union, may well not be sustained.

Patricia Newby writes from Canberra: Australia is in "close consultation" with the U.S. over the possible lifting of the grain embargo, according to Mr. Doug Anthony, Australia's Trade Minister.

The Australian Government has been under constant pressure from grain growers to lift the ban which Australia imposed in line with last year's U.S. embargo.

Editorial comment, Page 20

U.S. Steel in $1bn Italian pipe deal

By Rupert Cornwell in Rome and David Lascelles in New York

DALMINE, a subsidiary of the Italian State-owned IRI-Finsider group, has won a contract with U.S. Steel Corporation, the largest American steelmaker, which could be worth about $1bn (£458.7m) to the Italian concern.

The agreement, signed in Rome yesterday, covers:

● The annual delivery by Dalmine, over a five-year period, of 120,000 tonnes of seamless steel pipes for use in the development of oil fields.

● A letter of intent under which Dalmine and INNSE (Innocenti Sant' Eustacchio), a specialist engineering subsidiary of Finsider, would construct a mill in the U.S. to produce similar pipes to those covered in the five-year delivery contract. If the plan goes ahead, it should be on stream in 1984.

The value of the delivery deal is $600m at current prices. *The total cost of the new mill would be between $500m and $650m.*

U.S. Steel, which has fought vigorously to limit steel imports into the U.S., defended the agreement on the grounds that domestic capacity could not meet demand for seamless steel pipe. The company said that due to heavy demand about 22 per cent of the U.S. market for steel goods for the oil industry was being met from abroad.

Mr. David Roderick, the company's chairman, who last year lodged dumping charges against *European steel producers*, described the Italian deal as "a supply bridge" until U.S. Steel can expand its output of seamless steel pipe. The deal would create employment in the U.S. because the imported pipe will need further processing.

The starting price for the pipe will be about $1,000 a tonne. Mr. Roderick said this was tied to steel prices in the U.S. market, with a clause permitting the contract price to move in line with changes in U.S. market prices over the life of the contract.

The Dalmine-U.S. Steel agreement, concluded in a ceremony attended by Sig. Gianni de Michelis, the Minister for State Shareholdings, who is responsible for IRI, and Sig. Pietro Sette, IRI's president, is the second in a month to be reached *between a major U.S. group and Italy's public sector industry.*

In March, ENI, the Italian State energy agency, and Occidental Petroleum of Los Angeles established a jointly owned subsidiary

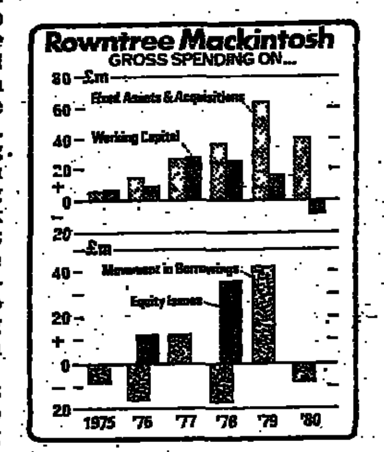
THE LEX COLUMN

Matching terms in Royal auction

With egg all over their faces, the Board of the Royal Bank of Scotland Group have gratefully accepted new terms from Standard Chartered worth getting on for 60 per cent more than the price they agreed to last month. *It has taken the* intervention of Hongkong and Shanghai Banking Corporation to force a more realistic price to be put on the Royal Bank, and although the Hongkong Bank's terms have now been fully matched there is a strong possibility that it will be back with more. Judging by its dogged persistence over Marine Midland in the U.S., the Hongkong Bank does not give up easily—though it can be getting no encouragement at all from the Bank of England.

The fact that the Royal Bank's share price stood only at 182p last night reflects the continuing uncertainty over a Monopolies reference. If Hongkong and Shanghai now withdraws, probably Standard Chartered's takeover will be waved through. If it keeps on trying, the official solution could well be to refer *both bids.* Certainly Standard Chartered would be hard pressed to stay in an auction with the Hongkong Bank; the new terms already involve slight dilution of Standard Chartered's net worth and earnings per share, while the free equity ratio (though not the total capital ratio) will fall a little.

Index was unchanged at 584.3



Dunlop

Dunlop's continuing problems —it has made an attributable loss of £15m for 1980—have led to the sacrifice of two sacred cows—the dividend, and the "union" with Pirelli. The 5.3p total dividend has had no visible means of support for several years, and it seems to have taken the moral example of the likes of ICI and GKN to encourage Dunlop to trim the figure this year (and then only to 4p). The yield at 71p is now 8.2 per cent. As for the Union, the losses suffered first by Pirelli in Italy in the mid-70's and now by Dunlop itself in tyres (UK operating losses in tyres almost doubled to £22m in 1980) have put intolerable strains upon what was only ever a form of association rather than a proper merger.

The question now is what Dunlop can do to stabilise its own "union." The group comprises various profitable operations in Asia, Australasia and Africa earning profits of £31m pre-interest on £360m of sales, *together with European businesses* making pre-interest losses on £800m of sales. Maybe the tyre business is past the worst, but substantial losses are still being made in UK manufacturing, and effectively the group is having to shrink in order to keep debt under control (total borrowings fell £12m to £328m in 1980) and to maintain acceptable financial ratios.

The ending of the Dunlop-Pirelli Union should lead to a cash inflow of £22m in 1981 but on the other hand the effect on the balance sheet will be to raise the ratio of debt to equity from 80 to around 90 per cent. A market capitalisation of only £93m emphasises how hard it is going to be for Dunlop to reshape its financial structure until its trading returns are transformed.

Rowntree Mackintosh

Shareholders in Rowntree Mackintosh need patience and deep pockets; patience because the group's heavy capital investment strategy and its marketing push into Europe are not concerned with short-term results, deep pockets because the company does not hesitate to turn to them for money. Yesterday's 1 for 4 rights issue raising £42m was the third since 1976—it will leave the group virtually ungeared in terms of its (unrepresentative) year-end balance sheet, while average debt will be roughly a fifth of net worth.

Rowntree's fixed asset spending now looks to be past its peak, but the group's income gearing was rather high last year — the interest charge absorbed a third of trading profit. The most important reason for the issue (along with the desire to strengthen the balance sheet when it is easiest to do so) is to give Rowntree flexibility to expand in markets where "the group would wish to be more strongly represented."

This almost certainly means the U.S., a market in which Rowntree is present only through a licensing agreement and a little direct export business. There must be a fair question mark over any decision *to launch* into such a major investment area before its European venture has begun to pay off.

Rowntree is making no money in Europe at the moment, and overall pre-tax profits showed a substantial fall last year, from £40.4m to £31.4m, for the second year running. *This year* should see a recovery with interest saving from the rights issue, lower interest rates, and some upturn in confectionery volume. But the shares will probably underperform as the rights issue is digested: the ex-rights yield is 6 per cent.

Vickers

There is nothing like a set of figures to bring a company whose shares have been lagging a bull market into the limelight. So although Vickers' published pre-tax figures have emerged much in line with expectations at £28.6m, and the final dividend has been raised to precisely the level promised in the offer document for Rolls Royce Motors, the shares stormed 31p higher yesterday to 210p.

The transformation of the company's structure over the past year makes underlying trends difficult to disentangle. Nor does the inclusion in trading profits of an undisclosed amount of compensation for cancellation of the Iran tank deal help matters. The main bright spots appear to come from turnrounds in former R-R businesses, particularly precision components. But the return on capital remains low and in spite of inflows of cash, net debt has not been significantly reduced from the 1979 pro-forma level, remaining above 50 per cent of shareholders' funds. Plans to sustain last year's £27m of capital expenditure may lead to a sizeable cash outflow; a rights issue should not catch shareholders completely by surprise.

Investment flows

The relative performance of gilt-edged and equities this year suggests fund managers are keen to raise the equity proportion of their portfolios and the fourth quarter 1980 investment figures tell the same story. Purchases of both UK and foreign shares were roughly twice the 1979 level, partly no doubt because the Government Broker was not at his most demanding.

U.S. prices in smallest rise since last summer

By Jurek Martin in Washington

CONSUMER PRICES in the U.S. rose in March by 0.6 per cent, seasonally adjusted, smallest monthly advance since last summer and the second item of tentatively encouraging anti-inflationary news inside a week.

The Labour Department estimated yesterday that the March figures implied an annual inflation rate of 7.5 per cent, well below the 12-13 per cent range of the two previous years.

On a more conventional computation the March increase means that in the last three months consumer prices have *risen at a compound annual rate* of 9.6 per cent, and in the last 12 months by 10.6 per cent.

The principal reason for last month's improvement was that energy prices rose by only about half the rate of the two previous months, while major sectors such as food and housing showed only modest appreciation.

One measurement of inflation contained in the gross national product figures, published on Monday, suggested that inflation was moderating in part because Americans were using less energy.

This was confirmed yesterday when the American Petroleum Industry, the trade organisation, reported that domestic consumption of oil was down 18 per cent in the first quarter of this year compared with the same period of 1980, a testimony both to the relatively mild winter and to consumer discretion.

Nevertheless, the latest inflationary figures are certain to intensify public debate about the wisdom of President Reagan's economic prescriptions.

On Wednesday, for example, Dr. Henry Kaufman of Salomon Brothers, Wall Street's most respected analyst argued in Washington that the President's tax and spending proposals were "exceedingly expansionary" and likely to result in more, not less, inflation if enacted.

He maintained that the latest GNP returns, showing a real annual growth of 6.5 per cent in the first quarter, demonstrated that an across-the-board stimulative tax cut was "inappropriate." He predicted higher interest rates in the months ahead, and a return to double-digit inflation before the end of the year.

The President himself will address Congress on the subject of his economic programme on Tuesday night

Storm in a cocktail shaker, Page 5

Institutions buy £2.1bn foreign securities in five-year record

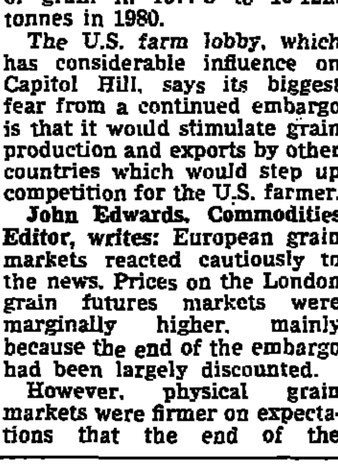
BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITISH financial institutions bought £2.1bn-worth of overseas company securities last year. This was more than in the previous five years combined and slightly more than their purchases of UK company securities in 1980.

Central Statistical Office figures published yesterday highlight the changing pattern of investment by institutions—pension funds, life assurance companies, unit and investment trusts—since abolition of exchange controls 18 months ago.

The resulting large capital outflow helped to offset some of the upward pressure on sterling *last year and, by implication, to* prevent an even larger appreciation than actually occurred.

Continued purchases of overseas shares, together with a build-up of foreign-currency bank deposits, have probably contributed to the weakness of sterling in the last six weeks, and so helped UK exporters.



The main buying of shares appears to have been in the U.S., though there has also been some interest in the Far Eastern and Continental markets.

The figures show that unit and investment trusts have been switching out of UK equities into overseas securities since the middle of 1979, while pension funds and insurance companies have continued to increase their holdings of both, though building up their overseas portfolios more rapidly.

Purchases of both UK equities and property rose sharply toward the end of last year as buying of gilt-edged stocks slipped back.

Inflows into pension funds and life assurance companies rose by 16.2 per cent from 1979 to 1980, to £10.4bn.

Of this, the proportion invested in overseas company securities rose from 5.5 to 15.9 per cent, and the share going into property rose from 12 to 15.8 per cent.

This was mainly at the expense of lower purchases of gilt-edged stocks, whose share fell from 49.5 to 37.7 per cent.

Nevertheless, these funds accounted for three-quarters of the overall £5.25bn sales of gilts to financial institutions in 1980. The main other purchasers were building societies.

Government offers outside inquiry into Civil Service pay

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT yesterday formally offered an "authoritative outside inquiry" into Civil Service pay in an effort to defuse the present strike campaign. But union leaders rejected the offer and said the strikes would go on.

Despite yesterday's talks, the unions plan to intensify the action next week by calling out air traffic control staff at selected major airports.

Air services over large parts of southern England are likely to be disrupted on Monday, following an announcement which the unions will make tomorrow that staff at the London Air *Traffic Control Centre at West* Drayton will strike for a shift, probably from midnight on Sunday.

A handful of control staff at the Joint Air Traffic Control Unit at Buchan, near Peterhead in Scotland, will also take action on Monday, affecting North Sea helicopter flights and high-flying aircraft.

The next airport to be hit by control staffs' action will be Glasgow, on Tuesday, with disruption at other airports to follow later.

The unions are also set to intensify their action in the Ministry of Defence. Staff at the naval dockyard at Rosyth are likely to take action from today, further affecting the £90m refit of the Polaris submarine HMS Revenge, which has already been delayed by *strikes.*

Action is also expected at Chatham dockyard and about 15 health physics inspectors at Devonport naval dockyard, servicing nuclear submarines, will strike from today.

The unions are also ready to take further action at the Clyde submarine base, where the Navy was recently used to resupply the Polaris submarine HMS Resolution.

The action will affect the return to base, due in about two weeks, of the Polaris craft HMS Repulse. Mr. Alistair Graham, *the unions' ports convenor*, referred to this indirectly in a speech yesterday to the Scottish *TUC.* He said: "A flashpoint is likely to arise again at Scottish naval bases in the near future."

The dispute did not seem any nearer a settlement after yesterday's talks between Lord Soames, the *Lord President of* the Council, and the Council of Civil Service Unions. The talks were the first since before the seven-week-old campaign started.

Lord Soames said again that for this year 7 per cent was the most that could be afforded. However, for next year's deal he clarified the hint in his Parliamentary statement last week by stating that the Government would enter the 1982 pay negotiation without a pre-determined cash limit for the cost of the deal.

The statement is the first formal acknowledgement that the Pay Research comparability system, scrapped for this year, will not apply in in 1982. Lord Soames said each side would then be free to introduce into negotiations "factors they considered to be relevant."

For future deals, he offered "an authoritative outside inquiry" to examine in depth proposals for a new pay system. The Government's proposals would be submitted as evidence to the inquiry. He said he was willing to talk to the unions about the inquiry's terms of reference and the composition of the inquiry team.

The Civil Service Department confidently expected the unions to return for another meeting yesterday after the first talks with Lord Soames. Instead, the unions sent their reply by letter, though there is some prospect of further discussions between the two sides next week.

Mr. Bill Kendall, CCSU secretary-general, said in the letter that the unions' approach to 1982 and beyond was "conditional upon a reasonable response to our request for realistic negotiations in 1981 or the acceptance of independent arbitration."

Weather

UK TODAY

Rain and cold in most places, some sunny intervals. Snow on hills.

London, S.E., S.W., Central Southern England, S. Wales, Channel Islands
Cloudy. Occasional rain. Snow on hills. Max. 8C (46F).

E., N.E. England, Borders, Edinburgh and Dundee
Wintry showers, locally heavy. Max. 6C (43F).

Midlands, N. Wales
Scattered showers, wintry on hills. Max. 8C (46F).

N.W., Central Northern England, Isle of Man, S.W. Scotland, N. Ireland
Showers, sometimes heavy. Max. 8C (46F).

N. and Central Scotland, Orkney
Showers, locally heavy. Max. 5C (41F).

Outlook: Showers mainly in East and North. Less cold.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	18	64	London	F	7	45
Algiers	F	17	63	L. Ang.†	C	16	61
Amsdm.	F	6	43	Luxmbg.	C	4	39
Athens	C	19	66	Luxor	S	42	108
Bahrain	S	33	91	Madrid	F	11	52
Belfast	C	7	45	Majorca	F	17	63
Belgrd.	F	20	68	Malaga	R	11	52
Berlin	F	6	43	Malta	C	20	68
Biarritz	R	11	52	M'chstr.	C	4	39
Bmghm.	C	5	41	Melbne.	S	18	64
Blackpl.	F	5	41	Miami†	S	18	64
Bordx.	S	15	59	Milan	C	14	57
Boulgn.	F	7	45	Moscow	C	1	34
Bristol	S	9	48	Munich	C	7	45
Brussels	F	5	41	Naples	S	22	72
Budpst.	F	16	61	Nwcstl.	Sn	5	41
Cairo	S	41	106	N York†	R	8	46
Cardiff	S	9	48	Nice	F	15	59
Cas'b'ca	C	17	63	Oporto	C	12	54
Chicg.†	C	9	48	Oslo	F	4	39
Cologne	C	3	37	Paris	F	9	48
Cpnhgn.	Sn	5	41	Perth	F	27	81
Corfu	S	24	75	Prague	Sn	2	36
Dublin	C	7	45	Rykjvk.	S	−1	30
Dbrvnk.	S	18	64	Rhodes	F	22	73
Ednbgh.	S	7	45	Rome	S	20	68
Faro	F	15	59	Salzbrg.	F	9	48
Frankft.	R	5	41	S'cisco†	C	10	50
Funchal	C	16	61	Stckhm.	F	1	34
Geneva	S	12	54	Strasbg.	S	11	52
Gibrltr.	R	13	55	Sydney	F	23	73
Gl'sg'w	F	6	43	Tangier	R	13	55
G'rnsey	C	7	45	Tel Aviv	S	35	95
Helsinki	F	−1	30	Tenerife	F	15	59
Innsbrk.	C	12	54	T'r'ntot	R	4	39
Invrnss.	F	5	41	Tunis	C	20	68
Istanbul	S	22	72	Valencia	F	16	61
Jersey	C	8	46	Venice	R	12	54
Jo'burg	F	20	68	Vienna	F	11	52
L. Plms.	S	20	68	Warsaw	C	4	39
Lisbon	F	15	59	Zurich	S	10	50
Locarno	C	15	59				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

Continued from Page 1

Poland

of the welcoming party at Warsaw airport yesterday.

Yesterday evening, however, party officials implied that Mr. Suslov was merely on a fact-finding mission. They played down the visit's significance for the future of liberalisation and indicated it was not connected with the next week's committee meeting.

The choice of Mr. Suslov as Soviet emissary to Warsaw under present circumstances has ominous overtones.

It is Mr. Suslov's job to provide the day-to-day ideological rationalisation for the system which has existed unchanged in the Soviet Union for many years.

Mr. Suslov controls Soviet radio, television, and newspapers, and answers for the ideological content of journals and books. As the chief interpreter of Soviet ideology, he has ill-defined power but enormous influence.

Talbot deal

Continued from Page 1

These are called Paykans, and are versions of the Chrysler Hunter, now obsolete in the UK, fitted with 1.7 litre engines. This contract, worth £23m, has already been signed.

● A further 50,000 engines, gearboxes, propellor shafts and rear axles for installation in a Japanese Mazda-based light pick-up truck being assembled in Tehran. These engines are 1.6 litre units as fitted to Talbot's Avenger car, and which have also replaced the 1.7 litre engine in the more recent Paykan car kits. This order is worth £64m over five years.

● A further 50,000 Avenger engines and power trains for a pick-up version of the Paykan, the success of which has led to the Iranian Government establishing additional manufacturing facilities for it. This deal is worth about £50m.

The contracts are in addition to other spare parts business which Talbot expects to bring in a further £100m over the next five years.

The contracts are with the Iran National Industrial Manufacturing Company. Mr. George Turnbull, Talbot UK's chairman, had run its car-making operation, Iran National, until he joined Talbot on its takeover by Peugeot in 1979.

Mr. Turnbull said yesterday he was sure Talbot's close liaison with Iranian government representatives and the Iranian company during recent difficult times had been a significant factor in securing the contracts. They made Talbot the largest single British exporter to Iran, with 60 per cent of the total value of UK exports.

He said Talbot hoped to increase the supply of kits beyond the 100,000 a year mark as Iran's domestic market expanded.

The disruption caused by events in Iran was a major *factor in Talbot's £40m losses* in 1979, and in last year's depressed performance. Talbot reported a £19.1m loss in the first half of 1980 to June and the final loss for the year to January last is expected to be much higher. Events in Iran were also a main factor in Talbot last year cutting employment at Stoke by 900 to 3,200.

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